THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

August 23, 1947

CAN CHINA EXPORT?

AN EDITORIAL

Canton Solves Trade Problems

John W. Powell

Indo-China Morass

Walter Briggs

Medical Care Goes To The Village

Layle Silbert

LABOR AND TAXES

AN EDITORIAL

VOLUME 106 PRICE CNC$5,000 NUMBER 12

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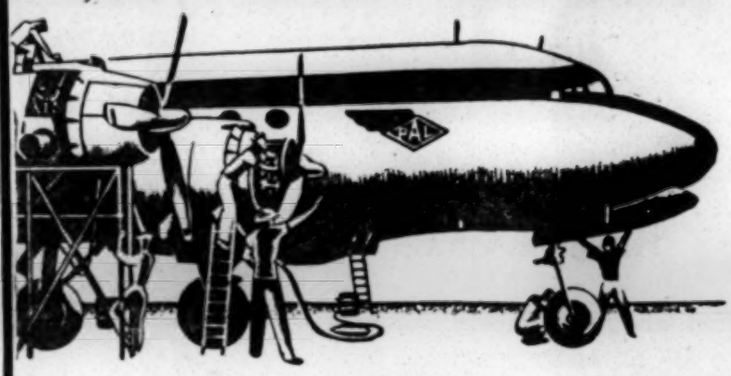

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Think First

To The Editor:

This is sent as a compassionate echo to the complaining letter of personal misfortunes of the "puzzled" Mr. Donald Chao, published in the *Review* recently. I confess, at the first few glances, I was really surprised to discover a compatriot so unconditionally faithful and implicitly loyal to an undeserving government. But having read it twice I probed and finally found the factor that made him lose so much money in so short a time.

It seems that Mr. Chao could not understand this puzzling situation, and, as a result, he fell into the trap provided by the Government. In my opinion Mr. Chao might make use of his deplorable experiences. From now on people will know the character of the Government better in the light of Mr. Chao's sad, yet valuable experience. They will know that the Government is absolutely not of the people, by the people, and for the people, and that a loyal citizen like Mr. Chao suffered heavy losses due to his misplaced loyalty.

I would advise Mr. Chao to give up his desire to work in a "government organization" and to build up a new ideology —that is, to work for the people. This is the open way for everybody and unanimously endorsed by the democratic world.

Furthermore, care must be taken in all business dealings with the Government. Think twice, and even thrice, before making a decision. Above all, don't blindly believe the notorious propaganda of the Government. The people are so poorly off while the Government enjoys its U.S. generals, materials and ammunition.

Thoughtfulness is the only defensive weapon available, and it is urgently needed by us in order to live comparatively safely in one of the most puzzling countries in this most puzzling era.

I. L. WANG.

Hongkong,
August 7, 1947.

Not 100 Percent

To The Editor:

Since Lieut.-Gen. Albert C. Wedemeyer's arrival in China, a great variety of rumors has cropped up in the financial market. The quotations of various commodities have remained firm for several weeks apparently waiting for the outcome of the fact-finding mission of the highly honored envoy. We know that General Wedemeyer has, thus far, collected valuable materials and data comprising every aspect of political, economic and financial conditions in China, but judging from the present conditions existing here, we are skeptical about whether General Wedemeyer is satisfied, because, as disclosed by Dr. Sun Fo, the General's findings show "that everything is not 100 percent all right."

We are well aware of the fact that America will not take any concrete steps to assist China before the mission's return to the U.S. On the basis of reports of the mission, America will surely take a new attitude in coping with the situation arising in China. Even the man in the street is cognizant of the precarious economic situation in China which will become worse every day, if the Civil War

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continues unabated. Therefore, we hope fervently that the United States will give some form of aid to China in order to prevent the situation from becoming further aggravated.

It is a well known fact that China, after eight years of bloodshed and destruction, is striving for nationwide reconstruction and rehabilitation which is being wantonly frustrated by the rebellious acts of the Communist Army. If America is conscious of the threat to world peace resulting from the internal warfare raging in China, and is truly interested in the establishment of a stable political and economic structure in China, she will give, without any hesitation, all-out assistance to China in order to stop Communist wickedness and to alleviate the terrible sufferings of the Chinese people.

ALFRED WANG.

Nanking,
August 13, 1947.

Protective Shield

To The Editor:

In a recent copy of the *Tung Nan Jih Pao*, the KMT southeast organ said to be under CC control, there was *Central News Agency* dispatch from New York which, in spite of the newsprint shortage, was given a large amount of space. It said that in New York the Municipal Police officers received huge bribes of, say, US$150,000 to US$200,000 monthly from the gamblers and crooks for protection! After this disgraceful affair was made public, the Chief of the New York City Municipal Police Force, Mr. Warrant(?) transferred his high officials to different regions, and two committees have been organized to carry out an investigation.

It was a short dispatch and might be considered to be accurate, but the *Central News Agency's* reporter in New York has added a few personal opinions thus exposing the ugly motives behind this report. At the beginning it emphasizes that "the Americans often condemn our corruption in civil affairs. Now, to our surprise, the corruption of the New York Municipal Police Force is superior to any other country...." Apparently, the New York representative of the *Central News Agency* intends to use this "American" example of corruption to compare with and whitewash the ugliest examples of corruption in Nanking and elsewhere in this country.

Whether the news in this dispatch is true or not (one is unable to believe all *Central News Agency* reports whether here or abroad) it is improper to pretend to use another country's evils as an excuse for our own wrongdoings, even if that country does criticize us at times.

We are of the opinion that such reports strengthen our officials' hold of us *lao pai hsing*, and that they must be glad there are good comrades in the west country. which, in some persons' eyes is deemed the most democratic nation with the purest officials. Why not let us take this affair as a good standard model to imitate? If the people rise to protest, let us take this as a protective shield! Yes, the policy of all *Central News Agency's* news, reports, or suggestions, may finally lead to such a dangerous and poisonous ending!

EVER HIGH YANG.

Shanghai,
August 9, 1947.

Petition

To The Editor:

Perhaps you will be surprised to hear that the students in every class in our college must repeat the courses of last term. Such a decision, made by the faculty meeting, has been confirmed at an interview with the Dean, Professor Ku. According to the dean, the reason for this is an attempt to elevate the intellectual level of the students in this medical college and to catch up with the loss of lessons due to the strike last term.

As everyone knows, the real reason causing the lowering of the intellectual level of schools at the present time—not only our college—is the endless Civil War, a political suicide being carried out by the Government, which has robbed the education budget in this country. There is not one new copy of a reference book to be found in our library nor sufficient equipment for the students' experiments in our laboratories. I am sure that any foreigner would find such a Chinese college a curiosity.

I regret to say that the students are fully cognizant of the lowered intellectual level. The radical problem is the continuation of this fratricidal war. Appealing to the Government for the cessation of the war, we ran out of our classrooms and suffered many sacrifices during the past months, but the Government has been deaf to our voices. So far the grievance of the war is not obviated, it is in vain to have all students repeat their courses in order to elevate the so-called "intellectual level."

I sincerely hope that my letter will be published in your esteemed *Review* in order to petition the authorities to understand the wishes of the students at the present time.

TUNG JUEN-LIANG.

National Medical College of Shanghai.
Shanghai,
August 10, 1947.

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Education A Privilege

To The Editor:

I am in an awkward dilemma as to which college I shall enter next fall. All Government colleges charge very small fees while private ones charge exorbitantly. It is awfully hard for children of moderate income families to continue their studies in private institutions and even harder for them to enter Government colleges on account of the small number of students being admitted.

In almost every Government University, one candidate out of 20 is chosen, and among these, many candidates carry personal letters from "big shots" to the presidents of these institutions asking for special privileges. Others are children of war veterans, or are themselves veterans, members of certain political cliques and parties, etc. After deducting the above privileged individuals, there are not many "vacancies" left for us free citizens.

We have met difficulties in private institutions. Knowing that our chance of entering Government schools is limited, we take entrance examinations at private schools so that in case we fail in the former we still have a chance to enter the latter, which, contrary to our expectations, requires us to put up a cash deposit of from CNC$250,000 to CNC$300,000, together with the candidates' middle school certificates, after we have passed examinations successfully.

School fees for private colleges next fall will, most likely, be around CNC$2,000,000 to CNC$4,000,000 per year, which is equal to the yearly income of low-paid clerks and government servants. It is, then, obvious that with the exception of a small number of lucky individuals, only the privileged youngsters can enter Government schools, while we unfortunate common folk have very little chance to get a higher education.

We hope that the Ministry of Education will soon remedy the worsening educational situation so that every young person will have an equal chance to enter college.

A DISAPPOINTED STUDENT.

Shanghai,
August 12, 1947.

Science Vs. War

To The Editor:

Recently there appeared an announcement issued by the Kuopanpu (Ministry of National Defence,) ordering the military training of students graduating from senior middle school for one year. This was a surprise, because we have already been trained for three years while we were at school so why must we join in the collective training.

To my mind, this training is a waste of money and time. We know that China today is dependent almost entirely upon foreign loans. The great danger of our Republic lies in the fact that foreign powers will gain economic control over China as her creditors.

China was victorious in this last so-called Holy War. But she has been making slow progress since V-J Day. She should no longer delay in carrying out her much needed program of reconstruction and put a stop to the abuses and corruption of the Government. She is in more urgent need of scientists than she is of soldiers and therefore she must use foreign capital to develop science rather than use it to sacrifice the lives of human beings.

I am a student, but I am in great hopes that China will incite her people to study and develop science in the laboratories and not let her people be soldiers.

JO-SAN CHENG.

Yenchow, Chekiang,
August 8, 1947.

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Ashamed

To The Editor:

As a sincere reader of your esteemed *Review*, I respect and commend you for your impartial and righteous criticism. Now, I am going to turn my pen to write of an unfortunate matter which happened here in Wenchow.

Nearly two months ago, students' demonstrations were in full activity throughout this quarrelsome country, stimulated by the stinging assault on Miss S. Of course, Wenchow could not be an exception and a great demonstration took place on June 8. It was a blessing that the wrath of the Gestapo did not fall upon the "traitors."

But, quite unexpectedly more than 100 pupils of a middle school here, which is under the control of our competent Government were dismissed without any reason, nay, because they had joined the "reactionary" demonstration, although it was disguised as the violation of school regulations.

These miserable young people then requested assistance, yet as far as I know nothing has been gained except disappointment. They are excluded from the school, their right to learn has been unreasonably taken away. The only hope for them to enter another school has been shattered as the examination advertisements were displayed in local newspapers yesterday.

As for going to other cities, the heavy expenditure which is beyond the limits of their fathers' pockets, they are mostly children of people who receive "eat-water" salaries, prevents them from doing so.

As for finding a job, China has been thrown into a bottomless abyss by the spreading civil war, and unemployment has become rampant. Even university graduates who have a great deal of knowledge and ability are finding it very difficult to get positions, so those whose standard of learning is below the college standard amount to naught in such a society.

I can find no reason for our wise, competent authorities to have adopted such a stern measure to punish students for their "pro-Russian thoughts" and "detrimental acts." I hang my head in shame when I recollect our country's father, Dr. Sun Yat-sen.

K. N. CHUNG.

Wenchow, Chekiang,
August 8, 1947.

Religious Freedom?

To The Editor:

You are righteous and daring enough to discover and describe the truths of the corruption of Chinese politics and other unlawful things bred in China, and you are much admired by your readers whose number increases every day.

Everyone in his right mind admits the fact that there is no democracy in China now. Today, the young men, especially the educated ones, are subjected to many vexations, as you may conceive. They nearly go mad with their troubles. How to save them is one of the most critical and important undertakings facing us. I trust your *Review* will do this duty.

I want to tell you the truth of an incident I personally saw: On the day before yesterday, some American and Chinese priests of the local church made sermons in a public square in Shienyuang city. But scarcely had they begun to talk than armed soldiers arrived and ordered them to stop. After much pleading they were allowed to resume, but the soldiers quickly surrounded the square and set up their machineguns ready for all, as if a war would break out. The audience stirred but they were ordered to keep silent. No one was allowed to leave and no more people were admitted. They were simply imprisoned.

Seeing this, I hurriedly went back to my school. I could not bear the sight of such an invasion on the people's religious liberty. I wondered if it was a dream. They say the Kungchangtang destroys religion, but, pray, what does the Kuomintang do to religion? I am not of any religion, but I believe everyone brings this natural liberty with his being.

C. W. KIANG.

Shienyuang, Shensi,
August 10, 1947.

God And Science

To The Editor:

It would save time and space for all of us, if the few who disliked my articles of May 31, June 21 and July 5 would read them carefully before writing in rebuttal.

I cannot understand the extraordinary confusion shown by Andrew W. Lee in his letter which you published on August 9.

I never said that Communists killed priests "by heart extraction and cutting out of eyes." It is most clearly stated in my articles (May 31, p. 379 col. 1; July 5, p. 144, col. 1) that the *Communists accused missionaries* of cutting out the hearts and eyes of patients. The missionaries accused were Protestant as well as Catholic.

Abstracting from the complex personal history hinted at by Peter Ly, I must ask him also to re-read my articles. Obviously it was not "to demonstrate the existence of God" that I listed Catholics who are eminent scientists. I listed them and quoted from books by world-renowned physicists, in answer to a specific statement by Len Johnson, who claimed that "in the scientific world God simply does not exist." The relevant treatment of a statement like that is to see if it really

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represents the scientific world. My quotations showed that it doesn't.

The evidence for the existence of God is manifold. And it is distinct from the testimony of any individual scientist, and independent of it.

By way of contradictory testimony, your correspondent remarks that "many great men such as Rousseau, Voltaire, Lamarck, Haeckel, Darwin, etc." did not believe in God.

His list, which with its strong 18th and 19th century flavor can hardly be called modern, is erroneous.

Haeckel was not a great man, as he was convicted of forging evidence. The others mentioned all believed in God.

Rousseau was no atheist but a deist. His *Emile* is taught to believe in the existence of God, the Supreme Being, our Providence.

Voltaire called atheism "a pernicious monster." "A catechist," he wrote, in his *Dictionnaire Philosophique*, "proclaims God to children and Newton demonstrates Him to the wise." Voltaire, too, was a deist.

Lamarck was a Catholic. He wrote: "When one recognizes that nature itself is only an order of things....all our admiration and all our veneration should be given to its sublime Author."

Darwin, writing in 1879 to Fordyce, said: "In my greatest wanderings I have never gone as far as atheism."

Next, Peter Ly falsely represents me as saying that "just because there is a mystery (in life), there must be a God." I have never advanced such inadequate reasoning. Of course there is no limit to the number of straw men your correspondent can set up and knock down, under pretense of replying to what I did say, but the reply is still lacking.

I did say that: 1. Nothing merely material can grasp the immaterial;

2. Mr. Johnson, like other human beings, is able to take hold of abstract and universal concepts, which are immaterial;

3. Therefore Mr. Johnson, like other human beings, has in him something immaterial, i.e. spiritual, i.e. a soul, as well as his material body.

Secondly, I said that the design evident in animate and inanimate matter demonstrates the existence of a Designer Who is outside, above and antecedent to nature.

No future discoveries by scientists will invalidate the axioms on which these conclusions are based, just as no future discoveries by scientists will disprove the multiplication table and no future discoveries will prove that a circle is a square.

The progressive unveiling of natural "mysteries" by science only reveals more and more of the design in nature, that is, more and more evidence that the Designer exists.

PATRICK O'CONNOR.
National Catholic News Service.

Shanghai,
August 12, 1947.

(EDITOR'S NOTE:—With the foregoing piece by Father O'Connor, the REVIEW wishes to bring to a close the controversy generated by the publication of this author's article on the Communists and their attitude toward religious freedom. Lack of space does not permit the continuation of this debate.)

Lost Interest

To The Editor:

I am not renewing my subscription to your good paper because, like most everybody else back here in the homeland, I have about lost interest in China. It seems a shame that such a great people cannot have a better chance. There is no end to the amount of aid that would be available from this country if the Government over there would show signs of rising to its opportunity.

From this distance, it seems a safe prediction that the Communists eventually will win out. I doubt very much whether this would make matters much worse for the country at large.

H. J. B.

Missouri, U.S.A.,
July 19, 1947.

Interesting, Strange?

To The Editor:

In your August 2 issue, I came across an extremely interesting piece of information—both interesting and strange. I refer to a letter, signed by "U.S.", which quotes the Soviet Government's reply to the Chinese Government on the Dairen and Port Arthur issue.

It was extremely interesting because it revealed facts of which we are kept in ignorance here, either through conspiracy on the part of the Chinese and foreign language press or through sheer journalistic incompetence. I need not quote these facts, for the letter I refer to contained them all. I will just mention here that the letter showed that the Soviet Government, far from hindering the establishment of Chinese civil administration in Dairen and Port Arthur, has repeatedly requested the Chinese Government to establish same, offering every assistance and the aid of the Soviet military command to this effect. More than that, the Soviet Government even agreed that the Chinese Government should send their own police force to Dairen to maintain law and order.

As for the entry of Chinese troops, it becomes clear from the Soviet reply that no such provision is contained in the treaty signed between the two powers as regards Dairen and Port Arthur. It was also a strange and curious fact that I first came across this Soviet reply in the form of a letter to the editor. Surely you must have known of this reply. It is to be wondered, then, whether you neglected to publish it as news because you lack-

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ed courage (which I somehow cannot believe), or because you have joined an anti-Soviet press conspiracy (which I don't want to believe.)

I am an old reader of the *China Weekly Review*, though not a regular subscriber, and I think I can safely say that in his lifetime, the late John B. Powell, prior to the war, was a keen reporter of Sino-Soviet relations. More than that, he gave the impression that he was reporting the truth as he saw it.

I think you will agree that the question of relations with the powerful Soviet Union is a burning one for all democratic Chinese. You would be doing them good service if you could report these relations, from time to time, as they really are.

Hoping that you will publish this letter so that we may hear from other readers on this subject, and trusting you will understand my purpose in writing it.

L. P. L.

Shanghai,
August 9, 1947.

Where is Spring?

To The Editor:

I regret to tell you that that I have decided to give up my subscription to the *Review* owing to my financial condition. As a middle school teacher with an income of CNC$40,000 per month, one can hardly provide a scanty living for a four-member family.

At first I did not intend to write you about this for I was afraid some one kind enough might present me with a subscription as a charitable deed. I have decided not to receive any help from others without repayment, no matter how trifling it may be.

I am sorry to lose a friend, the respected *Review*. Yet I shall still keep close contact with it because I can read it now and then in the library. I hope I shall be able to continue my subscription some time when my financial condition betters.

To speak frankly, we common people hate the Government which is made up of military dictatorship, bureaucracy and feudalism. In the beginning of the anti-Japanese war we worshipped our political leader, but now we abhor him. Dr. Sun has been betrayed. People's livelihood and education are of the least importance. Everything is for the benefit of militarists (not including the hsiao pin—little soldiers.)

To tell the truth, we are expecting the coming revolution. People are impatient for a new age. Now that winter has come, is spring far behind?

F. K.

Kiukiang, Kiangsi,
August 13, 1947.

Grandiose Plans

To The Editor:

During the past two years there has been a lot if talk about the local government's grandiose reconstruction plan; notably to build a suspension bridge spanning the Whangpoo River or a subterranean tunnel linking Pootung and Poosi. Although this "post-dated check" looks alluring it will not redress Shanghai's present deteriorating condition.

Here most of the streets are full of ruts and holes which are likely to sprain an ankle should one stumble into one unknowingly. The plump lady, who has tried unsuccessfully to reduce her weight by treatment in an orthopedic clinic or an aesthetic parlor, may find herself emaciated beyond recognition after six months or so, of half an hour's daily riding in a rickshaw or a pedicab through such streets.

Sewers and gullies are always silted. Underground sluices and concrete parapets along the Whangpoo River and Soochow Creek, which in the old days served as bulwarks against flood, have been either demolished or rendered unusable. During heavy rains or high tide, many low-lying sections are submerged in water. It seems very likely that Shanghai will become the Venice of the East in the not too distant future.

There are three superfluities in Shanghai, viz: hawkers, mendicants and garbage. The first and second named are more of a social than an administrative problem. Garbage is scattered everywhere and removed very seldom. The dirty, filthy refuse breeds an inestimable number of flies, mosquitoes, fleas, etc. to the detriment of the public's health. That large quantities of deodorants, disinfectants and insecticides have been imported from foreign countries is not without reason.

Traffic congestions adds another monkey wrench to the already creaking machinery. During rush hours, a distance that normally takes half an hour to walk, takes an hour by motor car. In this respect, the old proverb of "slow and steady wins the race," certainly convinces me.

Shanghai is the hotbed of all crimes, although not as well known as Chicago. Lawlessness is prevalent to such an extent that it even occurs under the nose of persons who execute the law. This can be evidenced by the fact that the victim of an armed kidnapping case committed several months ago was concealed in the guards' room of the Shanghai City Government Building.

Somebody might retort that all the above facts are due to the local government's economic difficulties. But whence have the proceeds of 101 taxes gone?

JOHNSON E. LIU.

Shanghai,
August 17, 1947.

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Romanization, Again

To The Editor:

There has been a good deal of discussion in the *Review* recently regarding the practicability and impracticability of romanization of the Chinese language. M. Decaux, Mr. S. S. Tu and others have advanced very good views on the subject. We need both theorists and empiricists to carry matters through. Everything is for the good.

No country now does not use a modern language, and consider the old out of date, because it is more colloquial and effective. Even Japan, who adopted the Chinese hieroglyphics found the characters cumbersome and put in a hodgepodge of alphabetical means of writing to meet with modern needs.

Is the present Chinese language a hindrance to progress? In a sense, it may be said to be so. No doubt the Chinese language is beautiful; in calligraphy, good handwriting, and in ideology, conveyance of ideas; but the appreciation goes to the very, very small minority, the literate, solely. The mass of the people never dreamed of it. Even then, it is at times difficult to convey one's thoughts by mere characters.

Once, the Emperor Chu Hung-wu, founder of the Ming Dynasty, wrote to one of his old friends and said: "I am writing you myself and not through my ministers, because they can never write exactly what I have in mind to say." The emperor meant that the spoken language was more to the point.

The fission of the spoken and the classical becomes wider and wider every day. Classical ways of writing and thinking do not go with the times. Classical writing hinders modern thought. Students become stereotyped; their writings are facsimilies; they cannot avoid citations; they are neither original in their expressions, nor inventive.

Besides, the language, which originally started with simple lines to assist memory, and the drawing of pictures to denote significance, made the characters conform to the sounds of speech. In the Book of Poetry, for instance, the wordings were simply how they spoke at the time. When they say: 民之方殷屎, i.e. the people are groaning, that was the colloquial language then, every one reading the words aloud would have understood and there was no mistaking their meaning. But if we read them aloud now, nine out of 10 persons would mistake their meaning.

The Chinese language is a reading language—a dead language. We read and get the ideas. The character, 屎, means "dung," the character, 殷, means "palace." What a concoction or anomaly of combination! What a shortage of characters to represent sounds! They could have used the words, 呻吟, "tsin-yin," but in ancient times, groaning was dinshee not tsin-yin. But even, 呻吟, is not modern. We might write, 喊苦, or, 叫苦, but 叫苦 is not literary, but hackneyed and is avoided in good writing. Chenkoo (叫苦), looks all right as a spelled word and unmistakable.

Our Chinese scholars seem to delight in the use of archaic words, and read them out with gusto. This practice goes on especially in high places, and they think themselves learned in always writing "dinshee" (殷屎). A Chinese scholar may not know where Timbucktoo is, that is, he learns no world affairs, but he is a scholar, well versed in Chinese classical literature and in its phrases, (成語) and in his writings there is not a single line which is original but full of rich phrases and idioms. He is not a free man. Such was the qualification in dynastic days for officialdom. In the days of the warlords, their secretaries were mandarin scholars whose thoughts were feudalistic. They wrote a thesis, very high sounding, flowery and pompous, that sounded very fine indeed, but once translated into English it means nothing at all, or is very commonplace.

Practicability is sacrificed for a dream. The merchant class follows suit. They think it an honor to receive an inscription from these scholars and indulge in the dreams of their writing. So the upper class and the middle class dreamed and the coolie class (the proletariat) has never had the privilege to share in the dreams. But, in spite of all this, it must be said the immutability of the Chinese language, with its stability against change, unaffected by tones or pronunciation, has bound the Chinese people together for centuries. The characters were understood everywhere, whatever slur they may put on words. Though harder than Latin, its divergent pronunciation did not affect the characters, whereas in Latin a change in pronunciation led to the development of the modern languages, each so different, Italian, French and Spanish. The Chinese language withstood time and change. This is the intrinsic value of the ideographic language.

On the other hand, the language is a difficult one. A schoolboy after 10 years cannot write a proper letter. Even adults often miswrite characters, using characters of similar tones but with a different meaning. The Chinese call them "pagee," 白字. Often you can't recollect how in the world a certain character is written, and have no means of looking it up in the dictionary. As a medium and tool, it is cumbersome and heavy. It cannot be applied to translate technical terms in modern science. We want a light ploughing machine, for after all, what the common people in China want is rice. Don't talk about culture unless we get food.

There is no reason why we shouldn't write letters to each other by spelling the vocal language. Make a start

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and others will follow. If the spelling becomes obscure, just put characters in brackets.

To wipe out illiteracy, a periodical may be circulated and classes held. I refer you to page 75 of the June 21 issue of the *Review*. The Annamese have learnt to write in two to four months by romanizing the oral language and mass education has gone ahead with a vengeance.

At the same time, we do not have to abandon our ideographic language because we would like to keep it as a heritage. The spelled language may go side by side. We talk and write as we used to everyday, naturally, and not affectedly in the language of our forebears. We would be able to say: "I" (Ngo, 我) and "You" (Nee, 你) to everybody, which is so important in a democracy. We wouldn't have to fumble about with "your humble one," (pejen 鄙人), "your man" (bunjen, 本人), at least it is more crisp, direct and sound.

CHI YU.

Shanghai,
August 9, 1947.

The People Know...

To The Editor:

"Bandits" is now the official name for Communists, as the Government has ordered that from now on all newspapers and documents should use the word "bandits" instead of Communist Army or Rebel Army.

I, being a non-politically minded Chinese, do not know whether the Communists are bandits or not, but I do know what is good for the people.

We, the Chinese people, not only have no freedom of speech or publication, but also have no freedom of "wording," for the Government orders people to use words of its choice.

I wonder why the Government should make such an order. The people certainly know who is their enemy or friend. When we were in the war with Japan, the Government never had to make an order forcing the people to call the Japs our enemies.

Dear, Editor, will you democratic American people help such a dictatorial government as ours? I hope the fact-finding mission of General Wedemeyer will find the facts.

C. L. H.

Shanghai,
August 14, 1947.

IMPORTANT NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, as said above, in all instances must the *Review* be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

C/o The Review

To General Wedemeyer:

As your mission is extremely important to the fate of China, I, as one representative of the intellectuals of this country, have to make the following statements to you:

(1) The United States should not support our suicidal Civil War if you wish China to be a democracy in reality, and your true friend.

(2) The old way General Marshall took when he was in China is still and will be the best the United States can take if she wishes to see a peaceful China and save millions of people from being killed.

(3) The hideous Communists are not easy to destroy as their 20 years' history has shown. It is as difficult for our Central Government to do this work as it is to extinguish all beggars and thieves all over the country. To destroy the Communists we should enforce the Three People's Principles, especially the Principle of Livelihood.

(4) China will need loans of machines only, or equipment that cannot be transformed into anything that can support the Civil War directly or indirectly. Industrialization of China will depend entirely upon the various machines which, once transported to China, must not be used to fight.

(5) Ninety nine percent of Chinese, especially the farmers, hate this Civil War.

(6) You should seek another and better way to prevent the Russians from getting into China.

CHIA FENG YOUNG,
PROFESSOR, UNIVERSITY OF KUNMING.

Kunming, Yunnan,
August 12, 1947.

(EDITOR'S NOTE: Professor Young's letter was sent to General Wedemeyer, c/o China Weekly Review, *and we have forwarded it to the General's Nanking headquarters.)*

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Can China Export?

AN INTERESTING example of how China's merchants, even under great handicaps, can solve their own import-export problems is contained in an article in this issue of the *Review* which discusses smuggling in South China. If nothing else, Canton's increasing export business and the fact that the South China area as a whole is said nearly to have a balance of trade adequately disproves the many statements being made to the effect that China's products are too expensive to find markets abroad. It is only when exports are artificially separated from imports and when exporters are hamstrung by an unrealistic foreign exchange rate (as they were before the new exchange regulations announced last Sunday) that the exporting business bogs down.

While no progressive minded individual could recommend that the Central Government abolish all controls—although such a move undoubtedly would provide a great impetus to foreign trade—the fact that Canton businessmen, who ignore Nanking's restrictive trade regulations, are able continually to increase their volume of business indicates that perhaps some reconsideration of the import-export regulations might be wise.

Obviously the Central Government should exercise a certain amount of control over foreign trade. Few if any countries in the world today are in a position to operate on a basis of complete free trade. However, with the exception of a few highly-organized countries such as Great Britain, there are few countries which can successfully pursue a policy of absolute regulation. For China the solution probably lies somewhere in between, with the Government employing only sufficient supervision to prevent the importation of unnecessary luxury goods and to secure a nominal amount of revenue for the state.

Nanking cannot successfully force exporters to sell their goods abroad for dollars which they must in turn surrender to the Government for CNC at an unrealistic and outmoded official exchange rate. It is a simple fact that no businessman can or will do business unless there is a profit to be made. Prior to the announcement of the new export-import regulations, an exporter lost from 300 to 400 percent of his possible returns by "selling" his foreign exchange to the Government at the official rate.

Exports from China as a whole today are pitifully low. Obviously, then, there is little foreign exchange available for imports. The few importers who are able to secure foreign exchange at the open market rate can—in direct contrast to the exporters who "made" this exchange and who gained no resultant profit from it—secure huge, and often unearned, profits by selling foreign goods on a hungry market. It is clear that such a situation is not normal, is not conducive to increased foreign trade and certainly is not fair to the country's exporters.

While Canton businessmen evade Nanking's regulations, they actually pay a "tax" on their import-export business in the form of unnecessary extra transportation charges accrued through various transhipments from rail to water to land routes and heavy fees (which usually include bribes for officials) to smuggling companies which carry the cargo across the China coast. The fact that trade prospers under such difficulties certainly indicates that if Nanking relaxed the present import-export regulations and currency controls — as the new "open market rate" exchange regulations tend to indicate the Government at long last has decided to do — China's businessmen would organize the country's foreign trade on a satisfactory basis. It also appears likely that the Government could expect to collect a nominal amount of revenue from such trade without killing it.

Regrets All Around

GLADYS Cheng of *Central News*, writing on Hainan Island developments says that the Japanese were of different vein when compared with other foreign governments which handled the island in former years. The young lady says that "during their six years of occupation they did wonders to Hainan through short term and long range developments." Gladys adds that "the latter, unfortunately, were terminated by the end of the war."

Well, the Japanese think so too: a very unfortunate occurrence, on the whole.

The Moral Revolution

LOCAL dance halls are officially scheduled to be shown the way out, gradually, commencing September 1, and with this action it is presumed that the people's morality will be greatly enhanced, as it should be in times of national emergency. It is estimated that approximately 20,000 persons who at present derive their livelihood from these entertainment spots eventually will have to change professions. Local entertainment hostesses, who were prohibited from dallying in politics some time ago, will now be deprived of their only remaining pastime, and, incidentally, daily bread.

From news reports and Commissioner Wu Kai-hsien's trip to Nanking for instructions on the subject of unemployment certain to result after the scheduled closure of dance halls, it is evident that the authorities are aware of this threat and will undoubtedly devise means to tackle the problem. The question that is of importance in the Executive Yuan's ban on dancing

—that demoralizing Western habit—is the thinking that led to the ban itself. Dancing in the midst of Civil War has been classed with Nero's fiddling while Rome burned, obviously a reactionary situation.

It is too early to say who will suffer most from the dancing ban: the dance hall employees, the purveyors of hot and cold drinks, or the wealthy patrons (we take it that the lao pai hsing are not affected by this decree). Apart from the economic losses suffered by the first two groups it seems that the idea is to reform the last group: those who insist on dancing with abandon while the nation experiences crisis after crisis. If the whole thing is intended to effect a moral revolution among the wealthier classes we fear the scheme is doomed to failure.

Time and again, local and national authorities have called on businessmen and merchants to desist from raising prices, and on profiteers to refrain from speculation. Our records do not show that these appeals have ever been successful, and for the simple reason that it is useless to attempt to invoke a man's better nature in these circumstances. Speculators are not born, they are made, created by economic conditions: if the situation is propitious to normal trade, profiteering is absent, and vice versa. The only way to rid the country of speculators is to remove the conditions breeding such activities. Moral endeavor appeals will never help.

Thus is it with dancing. A ban of this type will not reform the indolent and render them patriotic. Witness the "prohibition era" in the United States: people not only did not stop drinking but they insisted on drinking bad hooch, since the good stuff was prohibited from open sale. Ban dancing and worse vices will develop merely because of the clandestine conditions created. All kinds of "nite spots" will sprout, and the police force will have more business on its hands than it can handle.

It has unfortunately been proved time and again that when there is reluctance to have real and solid reform, there invariably is resort to a moral revolution. No one is really hurt, but there is a general feeling that something monumental has been accomplished—a veritable delusion. This dancing ban falls under the category of moral revolutions which accomplish nothing, but also remove the immediate necessity of real economic reform.

With energetic and farsighted measures adopted here to improve the economic picture (such as the elimination of idle capital and a more equitable distribution of wealth through taxation or other means) dancing would cease to be such a demoralizing influence in China (if it ever was.) Only those citizens would be demoralized who don't really matter in China's reconstruction. And that would be no great loss to the country.

Ready For Competition

GENERAL Douglas MacArthur's doctor recently announced that the general is in robust health and has the appearance of a man of 50. He looks younger and better now than at any time during the occupation in spite of his seven days a week and 10 hours a day schedule.—*Reuter's.*

Other candidates for the presidency should take note.

Collection of Direct Taxes

FOR many years now the Chinese Government has been trying to shift from a system of indirect taxation to the collection of direct taxes. The latter method has been accepted in most countries for a long time now, mainly because it does not place the entire burden of taxation on the consumers of commodities with meager means—the working classes. When commodities are taxed, and the main source of tax revenue derived therefrom, the common people provide the major share, whereas a progressive direct tax system trims over-inflated incomes and leads to a more equitable distribution of wealth in the country. Such a progressive income and property tax China has been attempting to institute, but without success to date.

Try hard as an observer might, it is virtually impossible for him to ascertain what kind of direct taxes are being collected by the financial authorities at present, to what extent incomes of the higher brackets are affected, and what percentage income and property taxes comprise of total tax revenue of the Government. The easiest conclusion to be drawn from such a situation is that the direct tax system does not function at all well and that the monied sections of the population actually enjoy privileges in face of tax collection, since commodity taxes are rather rigorously levied.

The various aspects of business profit, corporation, special business, and other direct taxes are obscure, many businessmen feel. It has been asserted that Chinese firms have been able to pay less tax following the conclusion of successful bargaining; discounts allegedly have been also obtained through persuasion and argument. Such occurrences cannot be considered altogether exotic in the prevailing hazy situation.

Now the representatives of the Shanghai General Labor Union have appealed to the Government to suspend the levy of income tax on workers' wages "until the complete unfreezing of the cost of living index." From this we gather that the workers maintain that their COL index does not reflect actual living costs. Leaving aside this question, the petition to suspend temporarily the levy of income tax on labor wages brings to the fore the entire problem of direct taxation. It would be interesting to ascertain how the propertied classes react to the levy of income tax, whether they consider it exorbitant and unjust, or whether their objections are currently tempered by patriotic considerations.

Without passing judgment on the workers' petition to the Central Government, we would suggest that the question of direct taxation be clarified in a lucid official statement, which would once and for all give an accurate picture of just where the Chinese people stand in relation to direct and indirect taxation. Even before the war of resistance, finance ministers in China periodically announced that the desire to pass to direct taxation as the main source of tax revenue existed. The people should know how much has been done (not what will be done) in this respect. Maybe then the petition of the Shanghai General Labor Union will be clarified.

IMPORTANT CORRECTION

IN our editorial BURNING BOTH ENDS, which appeared in the August 9 issue of the *Review*, we commented on a statement by the official *Chung Yang Jih Pao (Central Daily News)*, translated by the Government Information Office, to the effect that "for the industrialization of our country, surplus foodstuffs should be exported to pay for essential machinery and equipment." We, naturally, said it was highly unrealistic to export foodstuffs, the while the Central Trust was importing them. Now we are advised by the Government Information Office that through an error in translation "foodstuffs" was inadvertently substituted for "agricultural products," which include items of China's basic exports. What the *Central Daily News* called for was, therefore, the exportation of "surplus agricultural products to pay for essential machinery and equipment."—*Editor.*

The Double Standard

A HIGHLY interesting dispatch by Robert O. Clurman of *UP* from Chungking last week told of the difficulties and negotiations now in progress between Chinese and French authorities pertaining to the financing of the construction of the Chungking-Chengtu Railway. This line has been continuously under construction since 1937, but due to all manner of hindrances arising out of the War of Resistance and then the Civil War, this project has not yet been completed. The railway is considered of vital importance to Szechuen's economy; it will permit the transportation of rice from Western Szechuen where it now lies rotting and exerting a bad influence on rice prices. The completion of this project is naturally a highly desirable event.

Part of the project is financed by a French consortium to the extent of US$24,000,000, and one of the snags in the scheme has been the wide difference of opinion between the French and the Chinese as to the rate at which this loan is to be granted and repaid.

The French hold that the credit should be extended at the official exchange rate of 119 francs to the greenback, while the receiving party contends that nothing short of the blackmarket rate (three times the official rate) should be used to calculate the loan. Thus, the French think they should grant three times less and the Chinese authorities believe they should get three times the amount the French are willing to extend.

Then the question of interest has likewise not been agreed upon. The French consortium holds that 5.25 percent annually for 17 years would be the right thing, and the Chinese Finance Ministry is asking for three percent, considering the former figure "exorbitant."

Clurman reveals in his report that Chungking officials had hoped General Wedemeyer would visit the wartime capital to help them get a loan to complete the project at the rates they consider equitable and fair.

Assuming that the dispatch in question does reflect the officlal Chinese attitude to the loan, it should be pointed out that the very mention of the blackmarket rate with regard to the US$24,000,000 loan, is highly inappropriate. Then, of course, the insistence that the 5.25 percent per annum is "exorbitant" becomes somewhat ludicrous when it is remembered that interest rates in this city, the business center, have hit 30 percent *per month*, and currently stand at around 15-18 percent.

From the foregoing it appears that the authorities concerned consider it proper to have a double standard when it comes to financial matters: one for themselves, and one for the others.

Austerity Note

NOW that dancing has been banned we believe that the surplus energy of the indolent classes should be channeled into the better restaurants where they can concentrate on relishing the hams from Yunnan and melons from Kansu, brought to the "world markets" by CNRRA Air Transport.

Unity In Petropolis

THE latest reports on the progress of the Inter-American Defense Conference indicate that there is much unity and unanimity in the initial stages of the talks. Everything appears to be going fine, even to the extent that Argentina has decided to forget the veto provision she raised earlier. Dr. Juan Bramuglia, Argentine Foreign Minister, went so far as to attack "both Communism and Fascism, which lead in the same direction." He added, however, that outright suppression of them would "amount to violation of liberty."

This statement on the part of a high placed Argentine diplomat leads us to inquire into the kind of regime he represents and why he believes that the suppression of *both* Communism and Fascism is undesirable.

Spruille Braden who recently left the State Department after acting as American Ambassador to Argentina, held that in spite of all the nice phrases uttered on the international arena (such as the foregoing statement at Petrolopis, Brazil, where the conference is being held), the Argentine of Juan Peron is anything but friendly to the United States because of the extensive Yankee baiting conducted in the country. Braden further believed that Argentina was no democracy because of the "systematic and thoroughgoing tyranny, replete with violence and the Fuehrerprinzip" advocated. Because Argentina had openly intimidated Chile, Uruguay, Paraguay and Bolivia, Braden termed the country aggressive. On the whole, the former Ambassador thought it ill-advised to enter into a defense pact with Argentina, and worse still to send it arms.

The venerable *New York Herald Tribune*, not usually addicted to name calling, calls Peron's Argentina "this unreliable and dangerously dynamic experiment in New World fascist totalitarianism." The *Washington Post* says Argentina has become "a haven for fascist activity in this hemisphere." There is general unanimity in the American press that Argentina is nothing but a fascist country.

The *Nation*, analyzing United States relations with Argentina and the proposal to sign a defense arrangement for the entire hemisphere,

ONE VIEW OF PERON'S REGIME

Little in The Nashville Tennessean

thinks that the most likely outcome of the scheme would be threefold: a large portion of American arms would go to the Argentine, which can readily dispense with our training, and will gladly dispense with our influence; an expansionist Argentina will stimulate an arms race throughout Latin America, most of which is now too impoverished to afford its people a minimum standard of decency in food, shelter and education; and, the defense arrangement will greatly strengthen the military in the United States. The *Nation* concludes that the foregoing is too high a price to pay for "questionable protection against an unlikely invader taking the least probable route of invasion."

Sound reasoning, especially after the Munich example, leads to the assertion that there can be no permanent concert or agreement with fascism. Germany, Italy and Japan discarded all their security agreements once these outlived their value. What guaranty is there that Argentina will act differently, in the light of testimony of such men as Spruille Braden, and the foremost part of the American press?

It seems to us—if history should be taken as a lesson—that the only way to make the Western Hemisphere safe for democracy is not through the signing of defense pacts of highly dubious value. Fascism and its seeds should be eliminated from the scene, and democracy will be safe enough. As things stand now the Inter-American Defense agreement is pregnant with war. The best guaranty of peace is democracy uncompromising with fascism.

The Depths of Confusion

SOME people are always ahead of their age. Hardly has private Japanese trade been reopened when one report has it that the yen has superceded the fapi in this country. One of the editors who visited China recently, revealed in his editorial page that the "official rate today is 1,200 Chinese yen to $1 American currency." We get the yen angle, but why 1,200?

Undeveloped Resources

NOT much information has come from Hainan Island since V-J Day, when this 10,000-square kilometer piece of land and mountain was recovered by China. Recently, *Central News* Correspondent Gladys Cheng visited the island and reported on her findings.

Her overall impression appears to be that the island holds great promise and a vast mineral and industrial potential. Hainan today is pulsating with "a new life, new importance, and new meaning." We can very well agree that there is new meaning in the island and added importance to this country, now that it is back in the fold, but "the new life" we failed to perceive from Correspondent Cheng's own stories on the trip.

At the very outset, Miss Cheng declares that during their stay in Hainan, the Japanese did much for the island's communications and industries. Real experts were sent to investigate every possibility of the island's resources. But when the war ended, the most inexperienced take-over officials sent there created a scandal of shocking proportions. "According to Japanese figures," Miss Cheng writes, "Hainan then boasted of one-third of China's industrial establishments, excluding the Northeast, but by the time permanent organs were given custodianship, only three percent remained."

Nothing has been done to restore Japanese enterprises, and of more than 100 Japanese established factories and plants, only seven are now running at a percentage of potential. Miss Cheng adds that lack of policy on the part of the Central Government has caused factories and equipment to lie rusting or deteriorating. Having said the foregoing, Miss Cheng reveals that the general shutdown of Japanese factories is "the cause of Communist bandits." From this a logical conclusion could be drawn that the Central Government has purposely made available a breeding ground for the Communists, something we are sure Miss Cheng did not mean to say.

The writer says that the purchasing power of the Hainanese is low and this accounts for the low prices existing in the island. Prices are half those quoted in Canton, she says, and leads the reader to believe that the higher the purchasing power of the people, the higher the prices of commodities in a given area.

We learn further that the institution of home rule in the island "will give much encouragement to put the island on a more equal footing with the rest of China. The Government seems to have found a happy solution in making it a special district, but its long silence in putting this solution into reality is creating an atmosphere of suspense and confusion which cannot be allowed to continue long unchecked." The correspondent adds that "take-over officials and the 46th Army who were stationed there after the war, left "plenty of unsavory evidence for the people to reflect unfavorably on the Government."

Perusing Miss Cheng's report further we learn that there is a lack and waste of manpower, and while the Government does not operate all the factories itself, neither does it hand them

over into private hands for exploitation. At that Hainan has a capacity to generate 240,000 kilowatts, as compared with Taiwan's 180,000. The present output is about one-third of capacity.

The overall impression from the report is that about every branch of industry and agriculture is operated at one-third of capacity. And although Miss Cheng blames Overseas Chinese—natives of Hainan—for gross neglect of the island, supposedly manifest in their diminishing remittances to the folks back home,—it is not difficult to sympathize with these prodigal sons, for nowhere can one perceive even a trace of what Miss Cheng has dubbed "the new life."

The reading of this report on Hainan—despite the correspondent's optimism over its future—leaves one a pessimist, even if temporarily. If nothing could be done with the rich island directly after V-J Day, when the local population was enthusiastic, it would seem that now that it is embittered by two years of "low purchasing power" and the Government's inactivity in restoring the industries, the optimism of Miss Cheng is hardly warranted.

Logical Conclusion

FOLLOWING the report that 10,000 bicycles have been imported from Japan to be sold at half the price asked for Chinese bikes, we are not surprised to note a signboard in former Frenchtown which reads: "Grouchy Bicycle Company."

UN Debunked?

GENERAL Jan Smuts, Premier of the Union of South Africa, who last year told South African leaders that the decisions of the United Nations Assembly with regard to South West Africa were not necessarily binding on his country, this week told Pandit Nehru that he cannot accept the implementation of the UN Assembly's resolution as a basis for discussions between India and the Union on the question of the treatment of Indians in the Union of South Africa. The main point of variance is the Asiatic Land Tenure Act of 1946.

When this act was passed last year, Indians residing in South Africa entered a protest which led to much agitation and this problem was finally taken to the UN, which passed a resolution, that Smuts now considers not binding on a member of the United Nations. The South African premier holds that the act does not differ much from the practice of other members of the United Nations organization in "their policies to maintain peace between the different communities in their states." The diplomatic language means that "despised racial minorities" are segregated and this is considered the best way to maintain "peace between the different communities."

Pandit Nehru of India has shown himself to be a champion of racial tolerance and equality. Marshal Smuts has proved a worthy opponent of Nehru. The Marshal insists that before South Africa does away with her racial discrimination, other UN members should show him the way. It is as if the question were of tariff barriers and not of relations between human beings.

The Union of South Africa, although a state small in size and weak in numbers, has proved itself of very "independent spirit" in its relations with the United Nations. It would be surprising to consider this flouting of UN decisions, if one forgets Marshal Smuts' words of last year: "We are not without friends...."

The People's Livelihood

WIDESPREAD starvation has been prevented this year in southern Hunan province by vigorous action in moving CNRRA-UNRRA food supplies to the shortage areas in time.—*Harlan Cleveland, China Office interim report, August* 12, 1947.

After the lifting of the ban on export of rice by the Hunan provincial Government since July 15, a total of 47,500 piculs of rice and 1,500 piculs of corn was exported to Hankow, Canton, Shanghai and other cities.—*Sin Wan Pao, August* 16, 1947.

Well, commodities must circulate.

25 Years Ago In The Weekly Review Of The Far East

Opinion

August 26, 1922.

"THE Chinese, according to a hecent editorial in the *Japan Chronicle*, "are not by nature more corrupt or less patriotic than other people, but the fact is that many Chinese so entirely despair of their work bearing any fruit in the amelioration of the country that they come to the conclusion that they may just as well look after themselves, and that a little corruption on their part cannot do any harm in a country that is going to the dogs anyhow. However, since the world's leading statesmen who are mismanaging European affairs so utterly do not seem able to understand that men will not do good public work unless they have some hope of seeing the fruit of their labors, and will not even work well for themselves unless they see some prospect of betterment, in these circumstances we cannot hope very confidently for China being given the chance that she needs."

* * *

Bad Situation

THE political situation in North China at this moment is as bad as it can be, but the worst is yet to come. The result of the Chihli-Fengtien fight is disappointing and discouraging. General Chang Tso-ling has been temporarily eliminated, but his place has been taken by General Wu Pei-fu, who is proving himself equally meddlesome in the affairs of the government.

10 Years Ago In The China Weekly Review

War Edition

August 21, 1937.

IN common with all publications in Shanghai, daily newspapers included, current issues have to appear in abbreviated form, due to a number of causes, among them the flight of employees and the impossibility of using typesetting machines because the gas has been cut off. The printing plant which has been printing *The Review* ever since the first issue appeared in 1917, being in the line of fire, had closed down entirely. The issue is printed under emergency conditions in another plant.

* * *

Modern Warfare

THE horrors of modern warfare in its most poignant form were experienced in Shanghai on Saturday, August 14, when almost 1,200 persons were killed and about 1,400 seriously injured, all of them non-combatants, as the result of bombs dropped by Chinese bombing planes, while returning from raids on the Japanese cruiser Idzumo anchored in the Whangpoo opposite the Japanese Consulate. The bombs were dropped inadvertently as the result of the planes having been damaged and their pilots having been injured by shrapnel fired in great profusion by the anti-aircraft gunds on the various Japanese warships in the harbor.

Canton Solves Import-Export Trade Problems---With Profit

JOHN W. POWELL

Canton, August 13.

DESPITE the constant complaints from South China that the lion's share of the country's import licenses and foreign exchange permits are secured by Shanghai business concerns, it now appears that Chinese businessmen in Canton and other South China cities have—largely through smuggling—solved their import-export problems in a reasonably satisfactory manner.

Foreign exchange is obtained by smuggling Chinese products such as wolfram, tea oil, duck feathers, Chinese medicines and various food stuffs to Hongkong where they are sold for Hongkong dollars which in turn are used to purchase imports in the British crown colony. The imports are then run into China via the same smuggling routes.

This "illegal" trade has now developed into such a well-organized two-way affair that some observers believe that South China nearly enjoys a balance of trade. It is said that this area could have a fairly satisfactory economic life even if cut off entirely from the rest of China. However, these same observers do not see any particular advantage to be secured from a formal economic separation as it is almost a practical one now, in that the various economic regulations promulgated by Nanking which hamper trade are applied only on paper as far as this part of the country is concerned.

Further, there is some advantage gained by having a connection with the rest of China because considerable quantities of import and export goods clear through Canton and Hongkong which under normal economic conditions would enter and leave via Shanghai. For instance, tung oil and bristles from Szechuen are often shipped down the Yangtze to Hankow and then transhipped by rail to Canton and then on by rail or river to Hongkong. Dealers consider the extra shipping expense justified because by smuggling their products into Hongkong they get foreign exchange which they do not have to surrender to Nanking. In addition to thus "making" a large profit on their exchange, they can spend this foreign exchange in purchasing imports to haul into the interior to be sold at a large profit.

Canton has become such a major transhipment center for illegal imports that it is estimated that as much as 50 percent of the goods brought here from Hongkong are in turn shipped to other cities. The Central Government, taking cognizance of this situation, recently attempted to reduce the practice by banning the shipment of imported goods from Canton to Shanghai. Prior to this order many Shanghai businessmen who could not get their imports cleared by the customs at Shanghai, had them shipped to Hongkong from where they were smuggled to Canton. From Canton the imported articles could be remanifested, with Canton as the origin of shipment, and then safely and legally shipped to Shanghai.

* * *

Lip Service Only

WHILE officials in Canton and other South China cities have to pay lip service to Nanking's economic regulations and occasionally make some effort to enforce them, it is obvious to any observer that the current state of affairs could not exist without, at the very least, some official closing of the eyes.

During the past two weeks there has been considerable comment in the press, both in China and Hongkong, over the Chinese Foreign Office's charge that the British authorities in Hongkong were not doing their part in the prevention of smuggling. Following this, both the British and Chinese officials stepped up their vigilance with the result that one ship was impounded in Canton recently when it was found carrying several tons of unmanifested cargo. Possibly, though, the smugglers were more powerful than the Canton customs officials. Or, perhaps, as some observers suggest, the officials in Canton had no intention of actually confiscating the smuggled cargo, merely wishing to publicly "prove" that the British allowed ships to leave Hongkong with contraband aboard, because a few days after the ship was detained at Canton, a story was circulated to the effect that a large gang of armed men boarded the vessel and at gun point carried off most of the contraband. Later, the story was denied, and, subsequently, said to be true. In the end, no one in Canton seemed to know whether or not the hi-jacking had actually occurred.

Open smuggling is also done on the trains running between Canton and Hongkong. Frequently whole gangs of smugglers go to Hongkong, purchase banned merchandise—usually luxury items or other types of small, easily carried articles with a high value—and carry it back with them on the train as hand luggage. At a prearranged point, usually at a spot where the train's speed is reduced, the passengers throw their "luggage" out of the windows to friends and relatives waiting beside the tracks. Upon occasion, it is said, a particularly large shipment is made and the smugglers, having previously arranged with the engineer for the train to be slowed at some particularly remote spot, are met by confederates who employ a fleet of trucks to haul away the loot.

* * *

China's Problem, British Say

ALTHOUGH the British make some effort to watch Hongkong's outgoing cargo, it is generally felt that they are not prepared to exercise the amount of control that would be necessary to eliminate the smuggling trade. As one Hongkong paper recently pointed out editorially, it is essentially up to the Chinese officials to do the job and that as long as ships in detention in Chinese waters, like the aforementioned one, allegedly, can be boarded by thugs right under the noses of the officials and "robbed" of their banned cargo, it is difficult to see how the Central Government can criticize the Hongkong Government for its inattention to China's laws. Further, many observers believe that it is up to China to enforce her own laws by her own efforts and not to be dependent upon an outside power in such matters.

Another aspect is that from a self-interest point of view, the British can hardly be expected to take steps aimed at diminishing the prosperity of such an important Empire trading center as Hongkong. The Crown Colony, which has virtually no industry, exists almost solely as a transhipment point for various parts of Asia, with South China being the major area serviced.

* * *

Revenue Lost To Nanking

ASIDE from the legal aspects, it appears that South China has had more success in working out its economic difficulties—as far as imports and exports are concerned—than the rest of China. While admittedly such a system has its disadvantages in that, for example, the Central Government does not derive any revenue from the trade and also is unable to prevent the wastage of scarce foreign exchange upon luxury or other unnecessary imports, it does show that the arguments that China cannot trade with other countries are not valid.

Chinese products, when compared in value with imported merchandise, are not too expensive to be sold abroad. South China today has, for all practical purposes, as export-import linking system, with the Hongkong open market supplying the facilities for freely exchanging currencies and products. The fact that South China's foreign trade is growing, despite regulations designed to restrict and strangle it, and despite the heavy tolls exacted on both imported and exported merchandise by smugglers, corrupt officials and clumsy methods of transportation, should certainly give Nanking something to ponder.

French Bogged Down In Indo-China

WALTER BRIGGS

Saigon, (By Mail).

THE Viet Nam revolution is engulfing the French in Indo-China like the Mississippi River on rampage flooding midwestern lowlands. France's efforts to stem the revolution seem as futile as trying to seal a breach in the river's dikes while water rushes through.

Yet the French persist in fighting to regain power despite heavy casualties, a huge drain on France's budget and a virtually complete blackout of business income from Indo-China.

In a recent five-month period French forces (now totaling about 115,000) officially lost in battle 1,200 dead and 3,500 wounded. Additionally, other hundreds die and are invalided from malaria, dysentery and other tropical diseases.

For 1947 France has allotted 34,000,000,000 francs (about US$283,000,000) for the Indo-China war. That is a lot of money to an impoverished, war-razed country.

Trade Stops

Before World War II France exported annually from Indo-China roughly 1,500,000 tons of rice, 60,000 tons of rubber, 1,600,000 tons of coal and 300,000 tons of cement. This year France will have exported possibly 20,000 tons of rubber, practically none of the other materials.

France would have saved its military losses, probably most of its economic losses, by recognizing the autonomy of the three coastal provinces—Tonkin, Annam, Cochinchina—claimed by the popular and powerful Democratic Republic of Viet Nam.

Why, then, has France waged war to attain the pre-war status quo?

Neutrals who have known French colonials a long time lay the answer partially to "psychology."

The French, even more than the other Western powers, lost "face" at the hands of Japan. They offered little resistance: in some instances, cooperated wholeheartedly. Meanwhile, they had shown themselves weak sisters in Europe—a fact quickly reaching native ears. And the natives, in the immediate postwar bickering, were getting the better of the French in military skirmishes and cross-table bargaining.

French prestige thus hit the bottom.

It was too much for the French, a proud people, to stomach. Once Europe's reigning power, they now were being robbed of suzerainty in their wealthiest colony by a "bunch of natives".

Empire Crumbling

Additionally, a Viet Nam triumph, the French feared, might shake the Empire to the bones. Already, France had lost Syria and Lebanon. There was ferment in Madagascar. And the Arab League threatened trouble in Africa. The dream of a grand "French Union" would materialize or vanish in Indo-China.

Furthermore, the French did not want to sacrifice any portion of the economic gain which had emanated from a docile Indo-China—with commercial regulations and customs rigged to favor the "mother country." Also, military officers and civil functionaries enjoyed plush jobs here; some, in GI parlance, "never had it so good." Some part or all of these benefits might be lost with Viet Nam independence.

Despite the traditions of 1789, France rarely thought of the well-being of Indo-China's natives. The federation budget for 1943, for example, provided 758,000 piastres (US$189,500 at the then prevailing four-to-one exchange rate) for schools, 71,000 piastres for hospitals, 30,000 for libraries. This, in a land of 25,000,000! In the same year the Indo-China regime spent 4,473,000 piastres to purchase opium for the government monopoly, which annually brought nearly 13,000,000 piastres in revenue.

True, the long-standing opium and liquor monopolies recently have been abolished, probably in deference to world opinion. But the French attitude toward, and provision for the natives remain undisturbed.

Students Revolutionary

Moreover, the repression France now visits on Vietnamese revolutionaries follows a historic pattern. France always has dealt ruthlessly with malcontents. A few Annamese students are allowed to pursue university education in France. There is a saying here that most of these return to Indo-China to become revolutionaries—and "do their post-graduate work at Poulo Condore", an island prison for political rascals.

High Commissioner Emile Bollaert returned recently to Saigon after six weeks of consultation in Paris. "Colonialism is dead," he announced. "France is the first to wish no more of it". He promised specific armistice terms.

Bollaert's "conciliatory attitude" has raised Vietnamese hopes for peace, Radio Viet Nam optimistically declared thereafter.

But neutrals well-acquainted with Indo-China would be extremely surprised at a sudden French reversal of policy.

Only last May a Bollaert representative crossed no man's land to present peace proposals to Viet Nam President Ho Chi-minh. France demanded, according to Ho, that Viet Nam hand over all weapons to the French; that the French Army be free to move or station troops any place in the country.

All of which was asking, in a polite way: Would Viet Nam care to commit suicide?

While Ho disdained the proposals as "humiliating", he appealed to the French people, asking them to force the "colonial militarists" to stop the war and reiterating that Viet Nam desired to be "independent and united within the framework of the French Union."

Meanwhile, Vietnamese cohesion remains strong, judging from an analysis of varied reports from the interior. Vietnamese guerrillas wage constant warfare. The comment of a French war correspondent during France's original campaign in the 1880's to conquer Tonkin, "France possesses only the ground under her soldier's feet," appears to apply equally today to all Indo-China.

Recently, for instance, Vietnamese killed 17 French and wounded 40 others in a train ambush.

Puppets Discredited

France's figurehead governments in the Viet Nam provinces have discredited themselves through ineptitude and lack of popular support. Even many Frenchmen smirk at them.

And apparently only the French, some wealthy natives and most Catholics (roughly 10 per cent of the population) take seriously all or part of the threefold French argument against Viet Nam: It is Communistic, Japanese-inspired and could not prevent China's eventual seizure of Indo-China.

Acting on its own, France has these choices ahead:

1. To make peace with Ho.

2. To continue fighting while attempting to enhance the prestige of its provincial puppets and possibly to install an overall puppet government.

3. To disregard Ho politically (while continuing the military campaign against him and his cohorts) and establish nominally independent provincial and or federal governments, with more or less autonomy, under Annamese leaders (if any) who have not gone along with Viet Nam.

Present indications are that France will try to wriggle out of its dilemma by battling Ho and his henchmen "to the finish"—as if it were possible—meantime, strengthening the puppet governments—also a highly dubious prospect.

French sources indicate that France may try to inveigle Bao Dai, former emperor of Annam, out of the Hong Kong night clubs to play the role of federal president.

However, Bao Dai has pronounced himself a friend of Viet Nam, last year he undertook a mission to Nanking and, it is reported, met General of the Army George C. Marshall, then on his China mission, in an attempt to enlist support for the independence government. Bao Dai previously had admitted "ruling" life-long as a French stooge.

Therefore, Bao Dai's acquiescence to such a French plan seems unlikely.

UN Trusteeship?

France's best "out" in Indo-China probably would be to ask the United Nations for a trusteeship, with a provision that France hold the reins. Thus, France would assure its retention of economic predominance.

This step probably would safeguard Indo-China against the French-feared Chinese invasion and occupation. Parenthetically, it may be observed that the Chinese here, as in other Asiatic countries, insist on their own schools and national identity. With their own "congregations" enforcing Chinese law among them, they constitute a state within a state. In these countries they seek many of the privilege inherent in the "extraterritoriality" system which only recently they got foreign powers in China to foreswear. Chinese economic infiltration contains the seeds of further imperialism.

There has been no indication that France would accept the loss of pride involved in a trusteeship maneuver. In fact, a public statement of Bollaert's predecessor that fighting in Indo-China is French "internal matter" gives the opposite impression.

It will take a profound policy reversal—one such as Britain's in India—for France ever again to enjoy the full fruits of Indo-China's wealth. However, if France were to reenact Britain's role, the Empire probably would retain the economic preeminence in this country which the British undoubtedly will enjoy in independent India.

If there is no policy reversal, the French—their military budget exhausted, their Communist Party's pressure too great—one day soon may be forced to quit Indo-China with their heads down.

Hirohito: Democratic Monarch, War Criminal Or Mainspring For War?

Part Two

DAVID CONDE

MEMBERS of the Occupation Staff in Japan explain Emperor Hirohito's wartime role by saying that he was not a free agent but was a "prisoner of the militarists" and no matter what he did, secretly he always favored peace. Nor should he be held responsible for Imperial Rescripts issued in his name as "everyone knows he does not write them."

Such an explanation raises doubts as to the value of the Imperial Rescript issued after the war in which Hirohito denied that he was a "God," and gives credence to the widely-held Japanese opinion today that the Emperor is a "prisoner of General MacArthur."

Tojo, Japan's greatest "militarist," became Prime Minister in October 1941 but the decision to fight the United States if Japan's objectives were not achieved was made at an Imperial Conference presided over by the Emperor in July 1941 while Prince Konoye was Prime Minister. Japan had a civilian Prime Minister in 1931 when Manchuria was seized and when China was attacked in 1937 Prince Fumimaro Konoye was the chief of state. Prince Konoye, very close to the Emperor, first enunciated the doctrine of Greater East Asia which became Japan's guiding slogan during the following nine years as she struggled for the hegemony of Asia.

One Of "Big Three"

SCAP members explain these historical acts by saying that every Minister of War or Navy in every Cabinet had to be selected from the active list of Generals and Admirals and this gave the armed services control over the life of every Cabinet. They admit that the Emperor did nothing to alter this situation in the 10 years stretching from Manchuria to Pearl Harbor.

During the war the U.S. State Department soft-pedalled the question of possible war guilt on the part of the Emperor, but there is no doubt that the vast majority of Americans considered him a war criminal. Cartoons invariably pictured Hitler, Hirohito and Mussolini as the big three enemies of mankind.

Emperor Hirohito never once raised his voice against any war, yet, according to a letter written by the Japanese Admiral Yamamoto, the Emperor alone could have stopped the conflagration. Secret Privy Council minutes submitted to the War Crimes Trials in Tokyo, show that more than a year before Pearl Harbor, when the question of making war on the United States was being discussed, Hirohito did not deplore such warmongering but instead asked how much rubber and tin the United States would have on hand in the event of such a conflict. Historically, the only group within Japan that fought against the invasion of Manchuria and China and the growing militarization, were the Communists and they were rewarded with jail sentences and death.

Chiang's, Sun Fo's Views

Although the Cairo Declaration issued December 1, 1943 did not mention Hirohito, Generalissimo Chiang Kai-shek stated regarding conversations held at that time: "If the Japanese people should rise in a revolution to punish their warmongers and overthrown their militarist government, we should respect their spontaneous will and allow them to choose their own form of government. President Roosevelt fully approved of my idea."

Dr. Sun Fo, now Vice President of China, stated at that same time that in order to "preclude any resurrection of a militarist and aggressive Japan," a "fundamental revolution must sweep away the military caste, the Emperor and the cult of Emperor worship."

Six months later, in July 1944, Prince Konoye, according to secret documents submitted to the International War Crimes Tribunal in Tokyo, told a Council of Elder Statesmen that there was a great danger of a leftist revolution in Japan and if it took place they would lose their Emperor, but "If defeated (by the Allies) we can maintain the Imperial Family and the national structure." This statement was made a year before the Potsdam Declaration and it raises an interesting historical question: Did Prince Konoye have some secret understanding with certain American leaders on the question of retaining the Emperor or was he just a good guesser?

Terms Modified In 1945

Former American Ambassador to Tokyo, Joseph C. Grew, who often expressed his high opinion of the Emperor and Prince Konoye, told a Senate Foreign Relations Committee on December 12, 1944: "The Emperor institution....might be the only political element capable of exercising a stabilizing influence."

Although in subsequent policy statements it has often been said that the Japanese should decide the question of retaining or rejecting the

Emperor, it is clear that the scales have always been loaded in favor of his retention.

The Potsdam Declaration stated: "There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest...." and many felt that these words particularly applied to Emperor Hirohito. Yet, the Unconditional Surrender terms of Potsdam were modified at Japan's request. In the Japanese reply of August 11, 1945, it was stated: "The said Declaration does not compromise any demand which prejudices the perogatives of His Majesty as a sovereign ruler." To this, the Allies answered that the fate of the Emperor rested with the Japanese people. Hirohito, speaking at the August 14 conference which decided to accept the Potsdam terms, stated: "I think the Allied reply recognized the authority of the Emperor as a sovereign ruler."

Item 8 of the Japanese Surrender pact signed aboard the battleship Missouri states: "The authority of the Emperor and the Japanese government to rule the state shall be subject to the Supreme Commander," giving no hint as to the eventual disposition of Hirohito.

It seems apparent now that the Emperor was retained to maintain the "stability" of Japan. This in a land which is still highly feudal, which has never had a democratic revolution and which has always had its laws, customs and culture handed down from above. Japan, which desperately needs a democratic revolution, if peace is to be maintained, has seen in the postwar period a continuation of the old practice of all reforms being handed down from on high, but now originating with an Occupation Army.

As Hirohito never spoke out against war or the denial of civil liberties in prewar days, so now is he consistent in deploring the "excess" of the people in the postwar democratic era.

MacArthur Pleased

In the Imperial Rescript in which he "denied" his divinity, Hirohito stated: "Radical tendencies in excess are gradually spreading and the sense of morality tends to lose its hold on the people with the result that there are signs of confusion of thought." This statement was made on January 1, 1946, four months after the Occupation forces arrived in Japan and but two months after the surviving "dangerous thoughts" prisoners had been released from jail. At this time the voice of Japanese democracy was very weak indeed, yet in a land which has always been regimented, "confusion of thought" or independent thinking is perhaps the most dangerous specter the rulers can contemplate.

General MacArthur, speaking of this Imperial Rescript, said: The Emperor's New Year's statement pleases me very much. By it he undertakes a leading part in the democratization of his people. He squarely takes his stand for the future along liberal lines."

Whether this statement of General MacArthur implies that some postwar policy decision had been taken recognizing the acceptability of the Emperor or whether, as indicated by Prince Konoye, there had been some prewar or wartime agreement to retain Hirohito, may never be known.

There is no doubt that a large percentage of Japan's city dwellers in the first months of the Occupation were in favor of Hirohito's abdication, yet, as time went on and it became clear that the Emperor had some inside track with SCAP—a SCAP that had food to distribute to an orderly population, this desire to see the Emperor accept war responsibility gradually subsided.

U.S. Tutor For Heir

In January 1946, the question of securing an American tutor for the Crown Prince was being discussed in SCAP's Education Section and this later emerged as a request from Hirohito to the American Education Mission.

On February 19, 1946, Hirohito, showing a remarkable understanding, told three prominent American newspaper executives, one the President of Associated Press: "The rebuilding of Japan to the prewar industrial and commercial position....will take less time with the cooperation of the United States."

The following day, February 20, 1946, Hirohito began what was described by Tokyo newspapers as, "his first slumming expedition," visiting his subjects in his badly damaged capital. The Emperor told accompanying newspaper reporters: He was glad that Richard May, former head of General Motors in Japan, had returned. Richard May had been named Chief of SCAP's Zaibatsu Dissolution Section.

On March 2, 1946, in advance of Japan's first postwar election, the Emperor made his first political tour to Chiba Prefecture. When newsreels of this junket were shown on Tokyo's screens, Japanese laughed to hear their Emperor's high-pitched voice repeating, "So des ka?"

Demonstrations Increase

During April and May 1946 agitation and demonstrations increased until it seemed that the Japanese people were about to carry through the revolt envisaged by Chiang Kai-shek and President Roosevelt. On more than one occasion over half million people paraded the streets demanding the ousting of the Shidehara Cabinet, containing many "war criminals," the establishment of a democratic government and an equitable distribution of food.

On May 6, Herbert Hoover arrived in Japan and it was announced that 5,000 tons of army rations which "might spoil," were being turned over to the Japanese.

On May 14 and 16 huge crowds stormed the Imperial Palace, inspecting the Imperial larder and demanding food.

On May 19 a great demonstration of hundreds of thousands of people demanded the appointment of a democratic Government to replace the Shidehara Government. The following day General MacArthur warned the Japanese against "mob violence" and the reactionary Yoshida Cabinet was appointed to succeed Shidehara. For many months thereafter the Yoshida Government interpreted General MacArthur's warning against violent demonstrations as banning all demonstrations, and refused to issue the necessary police permits. On May 26 it was announced that the United States would ship wheat to Japan to maintain "peace."

Criticisms Censored

From this point on it was obvious that the Emperor had been resaddled on the backs of the Japanese people, although thousands had demonstrated that they no longer considered him or his palace sacred. Top policy makers began discussing the possibility of christianizing the Emperor and all restrictions were removed on the entry of missionaries into Japan. Newspapermen and businessmen still found it difficult or impossible to enter the land of the Rising Sun.

As though to protect the investment in stability, SCAP's censors deleted items critical of Emperor Hirohito.

Hirohito had been saved. Once again news stories about the Imperial Family appeared in the top and honored position on the pages of newspapers.

Hirohito, who withdrew Japan from the League of Nations and recognized an "independent Manchukuo" so that an "enduring peace" could be established and who led his nation to war against China and then Britain and the United States in order to "contribute to world peace," was the same Hirohito who said in his Imperial Rescript ending the war, that he was doing so in order to "pave the way for a grand peace."

A post-war Japanese book, entitled Number One Nagata-Cho, gives a different reason for Hirohito turning against the war. Writing of the Imperial Conference of August 9, 1945, in which Foreign Minister Togo had just spoken in favor of ending the war, the author quotes Emperor Hirohito as saying: "I agree with the Foreign Minister's opinion because a fortress at Kujukuri shore which was said to have been built was not constructed at all and the newly organized army is not equipped yet, is it? Under these conditions it will be impossible to continue the war. Take proper steps immediately to end the war."

Hirohito, Zaibatsu Saved

Those far-seeing Japanese gentlemen who schemed to save the "Emperor system" seem to have been successful in accomplishing their desire. The Emperor has been saved, Shinto survives, the Zaibatsu concerns continue to operate and so far no land has been distributed to the landless. More important than all of these, the people's democratic revolution has again been forestalled.

Students of Japanese history point out a curious historical repetition: Before the close of the last century when American and foreign gunboats with their superior weapons

Review Of Economic Situation In China

FRANK L. TSAO

AT a time when most Chinese people, knitting their brows, complain that their income does not cover their cost of living, when financiers work day and night trying to make out a plan to cover the huge national deficit, and authoritative economists cry with loud voices of an impending national economic crisis, perhaps it is not vain to present a picture of the present economic situation in China.

1. Continuing Increase of Commodity Prices

The most conspicuous phenomenon of the present economic situation is perhaps the incessant increase of commodity prices. During the first half of the current year, commodity prices increased 4.67 times as compared with those at the end of last year; the rate increase is even higher than that for the entire year of 1946, which is given at 4.54 times and nearly double the corresponding part of 1946, which is given at 2.64 times.

When we focus our attention on a series of intervals between the periodical increase of commodity prices, we shall be surprised by the fact that each interval was shorter than the preceding one:

From February, March 1946 to the middle of August 1946
Six months
From October 1946 to December 1946
Two months
From middle of February 1947 to the beginning of April
One and half months
The second week of May Ten days
The second week of June Seven days
The fourth week of July Seven days

It might be mentioned that after a tremendous rise in commodity prices, there always follows a small decline, which is just like giving a runner a drop of cold water after a long, hot race.

Another characteristic of the rise of commodity prices, is that not all prices appreciate at the same time. Generally, a group of commodities, after a dormant period, suddenly becomes so active and energetic that it rushes ahead of the others, while prices of others lag behind. The latter suddenly awaken, and attempt to outstrip the former. This is always the case with gold and rice: the more they enjoy the race, the more the people suffer.

2. Ever-increasing Issue of CNC$

According to an official estimate made at the end of last year, the total issue of notes was CNC$3,500,000,000,000, excluding Manchuria and Taiwan. The amount was increased to CNC$6,500,000,000,000 according to a report in May by the Minister of Finance, and in the middle of July, an authoritative official claimed that the total amount of issue had not exceeded CNC$10,000,000,000,000. Accepting this to be true, the total issue is probably very near the said CNC$10,000,000,000,000.

3. Increase of Budget Deficit

The national budget for the year 1946 forecast expenditures of CNC$2,538,441,390,000, while actual expenditure for the year was about CNC$6,000,000,000,000. In other words, expenditures exceeded the budget more than twice over.

From the national budget for the current year, we find the annual revenue set at CNC$7,000,000,000,000 with expenditure at CNC$9,320,000,000,000, showing a deficit of CNC$2,320,000,000,000. But the current budget was made on the basis of commodity prices in September 1946, while, if average commodity prices of 1947 had been taken at the June 1947 level, which were 6.34 times the September 1946 level, the actual expenditure of the year would be roughly CNC$59,000,000,000,000. There is even some doubts regarding the said CNC$7,000,000,000,000 of revenue. Taxes only comprise 40 percent, representing 30 percent decrease as compared with the pre-war year 1936, while the other sources of revenue are the profits of Government property and Government-operated enterprises, the sale of enemy and puppet properties and relief and surplus goods, and the sale of foreign exchange and gold. But, as all these are now reduced, the government has to sell government-operated enterprises, Japanese liquidation goods, and must impose taxes on deposits in foreign countries, enforce the property tax, raise foreign loans and must issue Treasury Notes and Bonds in order to supplement the dwindling regular revenues. Even all these cannot help much, as one can see from the report made by the Minister of Finance, which revealed a deficit of CNC$3,000,000,000,000 during the first four months of the year, while the Government expected it to be only CNC$770,000,000,000, so the actual deficit was four times more than the one budgeted. In other words, the national deficit of the current year probably will amount to CNC$12,000,000,000,000. Even this big figure has been arrived at through a very optimistic and moderate estimation; the actual deficit will almost certainly exceed this figure. For instance, the China Textile Corp. Inc., expected to make a net profit of CNC$400,000,000 monthly for the Government. In reality, during the first two months of this year, the total profit of the said company only amounted to CNC$200,000,000 while the profit of all the succeeding months only amounted to CNC$450,000,000.

Due to the above-mentioned two facts—decrease of revenues and increase of expenditures,—the national deficit for the current year very probably will total 15 to 20 trillion.

4. Exhaustion of Foreign Exchange

Since the introduction of the Trade License System on November 11, 1946, the trend of the excess of imports over exports has never been changed. Enforcement of the Economic Emergency Measures only reveal in full measure the fact that foreign exchange reserves have been exhausted. Even the issue of Treasury Notes and Bonds in U.S. currency cannot be of great help because of the reluctant buying. During the month of May, imports exceeded exports by CNC$110,000,000,000, or US$33,000,000. Afterwards, the exchange rate was revised to CNC$12,000 to US$1. From February to April, there was a balance of CNC$760,000,000,000 in favor of imports, or US$60,000,000. At the end of June, the import excess will probably be more than US$120,000,000.

This large adverse trade balance has quickly exhausted foreign exchange reserves, which has also led to further depreciation of the value of CNC dollars. It is quite sad to admit that, being a member of the International Currency Sinking Fund Commission, China is still not allowed to have a fixed rate of exchange.

5. People's Buying Power Falls

The facts are that the Government cannot balance either its international or domestic budget, which has led to currency inflation, increase of commodity prices, and has rapidly decreased the buying power of the

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overcame the Japanese and imposed treaties upon Nippon, Emperor Meiji issued an Imperial Rescript in which he told the Japanese that "Knowledge should be sought for all over the world." The Japanese obeyed this injunction and in time had gunboats of their own.

When Japan was defeated in 1945 by superior weapons, Emperor Hirohito in his Imperial Rescript ending the war told the Japanese that they should "keep pace with the progress of the world."

Will the Japanese again obey their Emperor? Will Japan become a scientific nation with all the supersonic weapons?

Or will the Japanese, in spite of all handicaps, achieve their long-delayed democratic revolution? The question of war or peace in Asia will to large extent depend upon the Japanese people.

people. At the end of the war, many peasants could still afford to buy industrial products, including American goods dumped in China. But now the rural people can no longer buy any industrial goods, since their buying power has gradually depreciated during these two years. The prospect in the cities is no brighter than in the country. Both salaried employees and workers have suffered terribly under the pressure of the high cost of living and low standard of salaries and wages. Nothing is more deplorable than the deterioration of moral standards in trade, shown by the increasing number and amount of dishonoured credits, which comprise three percent of the total amount of money exchanged. For instance, from July 14 to July 18, there were 19,986 dishonoured credits with a total value of CNC$169,000,000,000, while the total amount of money exchanged during the period was only 39.4 times that amount.

6. General Reduction of Productivity

Another striking fact which has dealt a decisive blow to the health of the national economy is the general decline in production. The causes for decreases in agricultural production are numerous, the most important one being the day-to-day shrinking of the cultivated land area. Some land has been devastated during the war of resistance, some has been rendered barren by natural calamities (i.e. flood), some deliberatedly deserted by farmers because of overwhelming taxes. Furthermore, conscription, farmers uprisings, which have broken out here and there, and the movement of farmers to cities in order to avoid conscription, have caused a great shortage of manpower in rural districts. Also, farmers are compelled to adopt more primitive methods of production in order to cut the increasing costs.

The great decline in industrial production will not amaze those who are acquainted with the following three facts:

(1) The general reduction of people's buying power, caused by the Government's taxes, on the one hand, and the decreasing value of income, on the other hand, is a very conspicuous phenomenon in cities. During the two years after the war of resistance, wealth has become even more concentrated in the hands of the few and the people's buying power has declined even faster than the rate of increase of commodity prices. Furthermore, prices of finished industrial products are limited by the people's low purchasing power and cannot be increased to meet higher raw material prices and wages, with the result that reproduction is facing a difficult financial problem.

(2) Due to the fact that the rate of price increase of raw materials is higher than that of finished products, the scope of operation becomes smaller with each process of production. Although, superficially, factories make huge profits because of increasing prices of commodities, actually higher prices cannot meet tremendous increases in the cost of production. Since most factories cannot afford to meet the high costs of operation they have to reduce working time in order to save expenditures. For example, the Foong Sing Tobacco Factory has cut down its working time from 22—24 days to 12-15 days a month.

(3) Both trade tax and profit tax have gradually depleted the capital of factories, since the government imposes trade tax even on those factories which show losses.

7. Industrial & Commercial Crisis

Besides the high taxes imposed on industrial and commercial enterprises which have nearly suffocated the life of industry and commerce, there are many other difficulties which are confronting them now, namely, increasing commodity prices, high rate of interest, high wages, shortage of materials and motive power, and poor transportation facilities. The problem of taxes and wages has remained the main stumbling block in commerce and industry during the past half year. The trade tax and profit tax are like two iron fetters which cripple industry and commerce. It is clear to every one that each firm has to pay a certain amount of trade tax and profit tax, even when in reality it does not make any profit at all, or has sustained a great loss. On the other hand the sudden unfreezing of the cost of living index in May, which raised wages roughly three times, caused management great difficulties, since it cannot afford to pay the high wages. It is equally apparent that workers could not go on living at former wage levels. These are all knots which the government has failed to unravel.

8. Effect of Total Mobilization

Instead of increasing the national production and effecting deflation of currency, total economic mobilization has three unfavorable effects on the present economical situation: (1) Requisition and buying of materials from the people in order to continue the Civil War; (2) Freezing materials for the purpose of collecting them more easily; and (3) no concrete method taken to solve the problem of inflation of currency.

It is very sad to admit the fact that the Government devotes 85 percent of its total budget to military purposes in spite of its protests that the military budget only comprises 40 percent. All the effort expended on raising foreign loans and increasing domestic revenues are bound to be futile if the bottomless pit of the Civil War still yawns at our feet. In other words, all beautiful plans made for reconstruction of China's economic life will remain empty dreams until a sincere effort is made to bring the Civil War to a prompt end.

Medical Care Comes To The Village

LAYLE SILBERT

KIANGWAN Health Center may well be the first of many rural medical centers in China which bring socially oriented medical care to the people. Though open only a little more than a half year, the Center in a Shanghai suburb is busily operating as a clinic, adding improvements constantly and looking forward to the time when complete hospital service and a social program will be functioning.

This will not be an ordinary hospital. As Dr. Joseph C. L. May, leader of the group of young men and women physicians working at the Center, puts it, one cannot treat a disease only. Some consideration must be taken for the patient and family to live while he is being treated and precautions against the disease returning. It was with this in mind that the blue-prints were drawn up for the Center.

The plan was a dream not so long ago, but by October of this year the hospital and its unusual facilities will be ready. As a medical institution, it will consist of a general and maternity hospital with a resident staff, a nursing school, and a sanitorium for tubercular and chronic patients. And as a social center it will sponsor public health education and social work, literacy classes, and recreation, and conduct a visiting nurse program.

Cooperative Village Planned

A cooperative village is to be organized to accommodate the tubercular and other chronic patients. There, instead of starvation for families of the ill and the risk of recurrence of disease because of return to bad conditions and strenuous jobs, both patients and their families will live and work. When illness comes, families will be an asset rather than a liability. Patients will be permitted to do only as much of the kind of work their condition allows; families will have a chance to support themselves and help the hospital grow. Mothers and older children will do the work for which they are fitted, while the younger attend a school on the grounds and the tiniest are placed in a nursery.

A garden, a greenhouse, and a series of small shops, such as machine shops, woodworking, weaving and crafts, are to be installed for learning new skills and maintaining the hospital and center. The patient may learn a new occupa-

tion to follow when he is well that is more suitable to his health, but all will learn new cooperative ways of living. Patients and their families will live, work and eat with the staff on a democratic basis in a healthful rural setting.

Rather than meeting with charity or philanthrophy the difference between actual costs and the small amounts the patients can pay, it is planned for the center to be self-supporting through income from the labor of the patients and their families, sale of some products, and the output of the farm lands around the center. Patients will pay for their shelter, food and other expenses figured at cost from their wages at prevailing rates. By applying realistic economic planning, the risk of pauperization is left behind and the patient retains his self-respect.

True Life Society

This group of eight doctors, Chinese and foreign, who have studied and worked together since their days at Pennsylvania Union Medical cal College, connected with St. John's University, call themselves the True Life Society. Their chairman is Dr. May, who realized his ambition to become a physician only after he had already completed his education in journalism at the Pacific Union College in Napa County, California, and worked as a journalist for three years in Shanghai.

The members of the True Life Society have already had experience in cooperative activity for the benefit of the people, in which they have tested out some of their ideas. Their first working association was at the Shanghai Chinese General Hospital in Chapei, Shanghai's poorest working class district. They took over the hospital building in the early summer of 1945 at a time when the panic-stricken population was straining to escape threatened air raids, and when the hospital had deteriorated to a dirty, neglected structure. Anticipating the need for a well run hospital, the doctors accepted the challenge, surveyed the building, cleaned it up, opened its beds to patients and set the outpatient clinic to functioning.

With the bombing of July 1945 wounded patients streamed in by the truckload. During the following half year the hospital treated 2,000 minor cases and 4,000 major cases. It was able to keep its doors wide open with the help of three local philanthropists. The staff discovered that recovered patients often do not have homes to go back to, nor money to pay for their treatment. So, they were put to work in the hospital at occupations they knew and could do, such as maids, carpenters and the like. Some are still there now after having worked out their bills, continuing to serve the hospital. There have also been a few dramatic cases of patients who remembered the care they had received and long afterward returned with payment, in one instance CNC$8,000,000.

Hospital Self-Supporting

Although the Shanghai Chinese General Hospital is a semi-charity hospital, charity is not doled out sentimentally. From those who can pay, enough is being collected to keep the hospital going. About one-third fall into full or part free cases. The staff council meets regularly, and it decides on its own rate of pay. Never very high, it is adjusted to the hospital's income and the cost of living. Since this is a resident staff —none try to keep up private practice—their livelihood at least is assured. With careful management, the hospital supports itself, except for occasional emergencies when the board lends a financial hand.

Gifts from the board of directors and friends have gone back into the hospital for new equipment and supplies—beds, sheets, laboratory and operating room equipment and repairs. So much has the hospital's work improved that it has attracted additional high grade staff and is now used for interneships by several medical schools as a teaching institution. Fifteen women are being trained in the nursing school.

But the staff was not satisfied. With the war over, they believed there must be other ways of serving the people and there must be other people who needed medical help. It was no problem to select the village of Kiangwan as the site for the new health center. Kiangwan is a small farm market town within a short distance of Shanghai, holding 40,000 and surrounded by corn and rice growing country. The villagers were already known to the staff through the pathetic cases brought into the city sometimes carried in by foot and brought to this hospital as the first one on the way into the city. It was a suburb without any medical facilities.

Land Purchased

The True Life Society quietly set about gathering funds, first themselves donating a half month's salary, then dunning their relatives and friends, and by giving a benefit concert. With this money they bought the first tract of land, four and one-half mow, near Kiangwan.

The land was too low to be built on and contained three enormous mounds built by the Japanese as fortifications. Solution of this first problem set the pattern for all that followed. Lacking money but possessing plenty of enthusiasm, energy and ingenuity, they managed to get things done with the help of friends, and donations of labor and goods. The mounds were "digested" in six hours by a bulldozer operated by several friends in the Brethren Service Unit, a voluntary group attached to UNRRA.

Everything had to be obtained through the goodwill of friends and interested organizations. Quonset huts were received from UNRRA through the efforts of an UNRRA worker. Building materials, rocks, stones and sand, as well as expensive haulage were donated by Shanghai business firms. Drugs and equipment were given by the International Relief Committee or borrowed from the mother hospital. The China Welfare Fund handed over such items as were too bulky, though still useful, to ship to their International Peace Hospitals. The Canadian Red Cross gladly turned over a surplus ambulance. Dr. May and his colleagues prowled the backyards, storage grounds and godowns of UNRRA, CNRRA and other establishments to spot discarded or unused items, which have been put to use at Kiangwan.

The village of Kiangwan civil assembly gave stones and tore out paving blocks from a temple for a pathway leading to the out patient clinic. Neighbors sent in plants, seeds and flowers, hauled water, and did carpentry. A nearby farmer gave the Center the use of six mow of his land as a loan, which is now serving as grazing ground.

Quonset Huts Erected

With no money to spare for labor, the hospital staff from the maintenance men up, rotated among themselves in going out to Kiangwan to do the work and invited friends to lend a hand. Students, relief workers, businessmen and others have done a stint for the Center. Construction was the hardest part, since nobody had the skill or experience. They watched and helped build two quonset huts at a convent to acquire the know-how, then succeeded in putting up the packaged huts they had received. Nothing was wasted. Packing materials went into window frames, waste masonite found at Point Island, UNRRA's fishing center, was used for slatted interior walls. Cheap Chinese tung oil substituted for paint on metal siding. Slate roofing tiles line the well. Rusty nails were sorted out and straightened for further use.

Between December 3 and 31, enough work was done to open the clinic at the self set deadline of January 1, 1947, even though it meant working until two o'clock in the morning of the same day. The first hut was completed and the first patient welcomed. Building has not stopped though. Four more huts have been put up, a two story building erected and a barn built for six cows given by CNRRA. The grounds have been landscaped into neat lawn and hedges with a decorative rock garden. The roadway is gradually being resurfaced with cinders brought in from the village tea house cookstoves every night.

Since the opening day when 147 patients were treated, a daily average of 20 to 30 patients have been handled. They come from the village and from as far distant as 12 li, walking the entire way. In all, 2,500 patients have been seen but many more visits have been made. Drugs are dispensed at a small charge. At first, care was free but soon it appeared wiser to make a small charge, which nowhere meets actual costs.

Preventive Work Done

Medical needs of the villagers and countrymen are only too apparent. There have been found tuberculosis, respiratory diseases, nutritional deficiencies, contagious diseases and

the gamut of ailments of a neglected poor population. The staff has gone into the homes when patients were too ill to come to the Center and has also conducted preventive work. Those in need of hospital care for the time being are sent to the mother hospital. When diphtheria broke out, they inoculated the entire village. As a station of the municipal health department they receive biologicals for other inoculations. During the spring, fresh milk received from the CNRRA feeding station was dispensed and records kept of the children's progress. Now a pound of powdered milk a week is being given to village children and the records continued. Modern medical records are kept on all patients.

The villagers have a high regard for the health center. One night a burglar stole eight sheets of tin siding needed for a quonset hut—a great loss. Three days later, the local police trundled them back to the center on a ricksha, saying they could not afford to lose face by such happenings. The grateful staff tried to pay the ricksha fee, but the money was refused. The village even offered to place a sentry to prevent any further thefts.

Activity has not stopped for a day at the center. The staff and their friends are still coming out and building goes on. A group of 12 medical and engineering students moved out to the center for the summer and they are assisting in medical and construction work and the planning.

Extensions Planned

There are four more quonset huts to be put up, these to be the second stories of more permanent type structures. The well is to be improved to assure pure water. The quonset huts arranged into an H shape with interconnecting passages will be the hospital. But before it can be opened as a hospital there are sheets, bedding, furniture, equipment, plumbing and fittings, more drugs and a thousand and one items needed for a modern safe hospital. A dark room stands ready waiting for an x-ray machine. They already have a boiler, heating equipment, water purification unit, but before these can be used, water and electricity must be connected and the utility companies convinced.

Two staff members are in training at the NAEC to learn how to supervise activities in the projected small shops, intended for rehabilitation and work therapy.

The staff is watching with interest the working out of their ideas in the progress of their first rehabilitation case, a pedicab driver who came to the mother hospital with tuberculosis. Though he receives treatment, the doctors realize the uselessness of continuing if the patient returns to his pedicab. To help him make a living and achieve a cure, it was suggested he change his occupation and open a stand to sell milk and coffee to ricksha and pedicab men on the street. Strictly as a loan, building materials for a stand, powdered milk and coffee have been advanced to him. With the help of a hospital maintenance man, he is building the stand at Kiangwan. The patient will provide his own glasses and other supplies. His progress will be evaluated for application in future cases.

Already the family of the hospital accountant whose three children successively developed rickets in the family's tiny crowded room have been moved to the center with good results.

Practical Idealism

Although ultimately the Kiangwan Health Center as conceived will be self-sufficient and self-supporting, until this stage is reached, the group must depend on help from friends and organizations. They see their center as one with roots in the community which in turn can give the greatest support. The people of Shanghai and the village are looked to for this help, rather than sending reaching hands abroad.

The True Life Society views the center as an opportunity to practice medicine in the full sense of exercising the social responsibilities of their profession. A demonstration of practical idealism and cooperation to meet one of China's greatest problems, the plan of the center is an indigenous solution using local resources and personnel and adapted to the actual situation.

Fruit-Growing In Fukien

CHEN FU-SHENG

WITH its warm climate, abundant rainfall, short frost period and rich soil, Fukien may easily become the California of China if efforts are made to improve the cultivation, manufacturing and transportation of fruit.

Fukien is in the semi-tropical zone, its climate characterized by features of tropical and temperate zones as well as those of oceanic regions. The average temperature in this province is 19.50 degrees centigrade as compared with California's 17.20 degrees centigrade. The average rainfall is between 1,147.8 m.m. and 2,248.6 m.m. Generally-speaking, Fukien is hilly, there being few high mountains; the slopes slant off gradually and the inclinations are at 10 to 20 degrees. These factors, plus low humidity, scarcity of snow and frost, and good quality soil combine to favor the growth of fruit. The only drawback is the frequency of strong winds which can, however, be brought under control as has been done in the United States.

Orchards Area

According to the Fukien Statistical Year Book (1942), the area of orchards and the output of fruits in 1935, 1937 and 1942 are as follows:

	Orchards Area	Output
1935	120,439 mow	2,564,682 piculs
1937	145,462 „	2,245,198 „
1942	23,763 „	603,782 „

Again, according to the Fukien Provincial Bank Quarterly, 3-4 joint issue, Volume 1, the comparison between areas of farms and orchards in principal fruit producing districts is as follows:

	Farms Area mow	Orchards Area mow	Percent
Linsenhsien	738,000	12,100	1.64
Putien & Sienyu	1,785,000	14,864	0.83
Yuki & Changpu	956,000	23,192	2.42

From these tables one notices that in 1936, the orchard area, 120,439 mow, occupied only 0.5 percent of Fukien's entire arable area; even in principal fruit producing regions, that percentage is small enough. Although the orchard area in 1937, compared with that in 1935, has increased by 25,000 mow, the output has decreased by 14 percent—attributable to both natural calamity and artificial damage. The fact remains that since 1937, both fruit orchards and fruit production have diminished considerably.

Three tables in connection with exports and imports of fruits from 1935 to 1939, as compiled by the Fukien Maritime Customs, are given below:

TABLE I—EXPORTS.

	Abroad			Inland		
	Total CNC$	*Fruits* CNC$	*Percentage*	*Total* CNC$	*Fruits* CNC$	*Percentage*
1935	7,176,509	431,238	6.00	20,116,999	1,894,523	9.40
1936	8,453,243	589,911	6.90	28,783,152	2,809,632	9.70
1937	1,001,299	578,638	5.70	24,090,482	2,145,085	8.80
1938	8,583,928	706,943	8.20	24,487,760	2,104,506	8.50
1939	11,875,992	502,958	4.20	20,943,237	2,915,529	13.90

TABLE II—IMPORTS

	Total CNC$	*Fruits* CNC$	*Percentage*	*Total* CNC$	*Fruits* CNC$	*Percentage*
1935	21,748,521	215,891	1.08	41,878,127	455,633	1.80
1936	18,605,201	130,428	0.70	41,412,494	445,365	1.07
1937	17,523,435	140,584	0.70	38,987,365	338,283	0.80
1938	16,209,544	131,226	0.19	25,918,315	159,743	0.60
1939	18,581,590	49,553	0.20	30,725,300	153,214	0.50

TABLE III—EXPORTS.

(a) Fresh Fruits

	Total	*Oranges*	*Other Fruits*
1935	CNC$1,361,152	CNC$1,020,057	CNC$341,796
1936	1,682,919	1,373,759	308,905
1937	1,762,811	1,485,455	277,650
1938	1,327,048	1,058,535	268,513
1939	1,970,540	1,787,976	182,564

(b) Dried Fruits

	Total	*Dried Lichee*	*Dried Lungyen and other fruits*
1935	CNC$ 961,088	CNC$166,108	CNC$805,352
1936	1,717,785	531,633	1,186,152
1937	961,088	265,704	695,384
1938	1,484,406	430,267	1,054,134
1939	573,618	106,702	466,916

From these three tables one can draw the following conclusions: First, fruit exports have occupied an important place in Fukien's trade, particularly as exports to other provinces comprise on an average one-tenth of Fukien's total inland exports. Second, in spite of her plentiful fruit production, Fukien has imported a certain quantity of fruit. The import of fruit from abroad should be avoided as far as possible, or should be replaced by the import of first class fruit trees or seeds, in as much as China has had an adverse trade balance and Fukien's fruit industry appears to have a very bright future. Third, a golden opportunity for developing Fukien's fruit industry was missed in 1937, when, due to Sino-Japanese hostilities, foreign imports were greatly reduced. Fourth, in exports, oranges top the list of fresh fruits, while dried lichee and lungyen head the list of dried fruits. Fifth, owing to the lack of transport and packing facilities, fruits that are liable to decay have to be exported in dried form.

Comparison Made

A table in connection with Fukien's products other than fruit, appearing in the Fukien Economic Handbook (1946), is cited hereunder:

Commodity	Average Output Value, 1935-39
Tea	CNC$15,542,992
Timber	5,250,744
Paper	8,411,532
Mushrooms	1,669,057
Dried Bamboo Shoots	2,196,263
Sugar	11,329,154

The Fukien Statistical Year Book (1942), states that in 1935 the production of fruits totaled CNC$12,674,974. A comparison of this figure with the average figure on the above table reveals that fruits have been second only to tea production, and that the fruit industry although not fully developed because of the lack of adequate supervision and scientific treatment, has had an encouraging past. On the other hand, the fact that the fruit output decreased from 2,560,000 piculs in 1936, to 2,240,000 piculs in 1937, and to 930,000 piculs in 1941, points to the necessity for the adoption of proper measures to promote development.

There are several reasons why the fruit industry is under-developed in Fukien. First, political chaos and social upheavals have not only discouraged the installation of new communication facilities, but have destroyed or handicapped the existing transportation system and thus dealt a heavy blow to the fruit industry. Second, in these troubled waters, unscrupulous politicians or militarists have taken every opportunity to fish. The exorbitant taxes levied by these men have made the fruit producers very dissatisfied and pessimistic, with the result that the latter have either stopped cultivating their product or have cut down the trees.

Unreasonable Tax

In 1928, when General Chang Yi was administrator of Changchow, South Fukien, he initiated a fruit tax whereby, regardless of whether the trees bore fruit or not, they were still subject to a tax. As a result, many fruit planters cut down their trees—40 percent of fruit trees in Changchow were estimated to have been felled at that time. Third, in view of political and social turmoil, the fruit industry has remained in the handicraft stage: the production is on a small scale and modern methods of packing, storage, insecticide, etc., are lacking. Fourth, the dumping of foreign fruit has deprived Fukien of some of her potential markets.

The development of the fruit industry is an important factor in Fukien's economy. In the first place it assists in the utilization of waste lands. The area of arable land in Fukien comprises 11.38 percent of its whole area, and much of the remaining 88.62 percent, which is unfit for farming, can be used for fruit cultivation. Second, it may help the farmers to have an avocation and ameliorate their living conditions. Farmers should be encouraged to plant fruit trees beside their fields, thus their income can be increased and their livelihood bettered.

Third, it may hasten afforestation. In Fukien, despite the Government's ban, farmers have usually burned unprofitable trees and used the ashes as fertilizer. Once fruit trees are planted, the income derived therefrom may be used to buy fertilizer and thus the wholesale burning of trees may be averted. Fourth, it is a stepping stone to the industrialization of Fukien. Industrialization requires large sums of capital, and of all Fukien's products, fruits stand the best chance of developing into a flourishing enterprise.

Ways Of Development

In the development of the fruit industry, the following factors must be taken into account.

(1) Peace and order should be restored, such practices as exaction in one form or another should be abolished and greedy officials punished.

(2) Reasonable restrictions on foreign fruit imports should be imposed.

(3) Enhancement of production should be encouraged. Those planters who are engaged in improvement or enhancement of production should receive tax reductions and subsidies from the Government.

(4) The study of harmful insects and birds should be made by experts and ways of destroying them publicized.

(5) Improved means of production, manufacturing, etc. should be adopted so as to decrease the cost of production as well as to improve the quality of products. (a) Factories for the production of canned and preserved fruits, fruit juice, jam, etc. should be set up as a means of using the fruits before decay overtakes them. (b) Cooperative societies for production and marketing should be established. (c) Fruit companies should be established in fruit producing and fruit distributing centers. (d) Studies of improved means of production, transportation, etc., should be made and the results of these researches put into practice. (e) High grade seeds or trees should be selected or imported from progressive foreign countries and the Government should see that only this type of seed or tree is planted. (f) The products should be inspected before being put up for sale. (g) Modern methods of packing and storing, including gas storage and quickfreeze methods should be adopted. (h) Fertilizers should be experimented with and applied.

(6) Because of the lack of adequate means of transportation and the deterioration in the highways which are in urgent need of repair, communication in Fukien is difficult. Provincial authorities are now taking steps to improve this situation.

(7) Waste lands should be utilized by planting fruit trees thereon.

(8) Scientific and administrative experts should be trained and sent to fruit producing and distribution centers as technical experts and superintendents.

(9) Funds for the financing of fruit enterprises should be raised. In South Fukien, where the fruit industry flourishes, Overseas Chinese who have homes there should be encouraged to make investments.

(10) In rural communities the unemployed laborers should be absorbed into the fruit industry.

Political Awakening In Malaya; Economic Problems Seen

NGIAM TONG-FATT

AT the meeting of the Malayan Union Advisory Council in Kuala Lumpur on July 14, 1947, important discussions on such subjects as rice, rubber, tin and income tax took place; other matters such as the revision of Government salaries and the introduction of state lotteries were also brought up, but no satisfactory results were forthcoming from the latter discussions.

In spite of the fact that constitutional problems in Malaya are still unsolved in the Parliament in London, Malaya today is facing problems of a political and economic nature unparalleled in her 100-year old history. The complexities of Malaya's situation may be attributed to the fact that unlike other countries with comparatively few immigrants, she is a cosmopolitan country with a mixed population of 5,500,000, 50 percent of whom are Chinese.

Political Awakening

The modern Malays are going through a political awakening and since the liberation, various political organizations and parties have been formed throughout the Malay Peninsula and in Singapore. In the Malay Peninsula there is a conservative political party called the United Malay National Organization under the leadership of Dato Onn bin Jaffar, who is related to a Malay sultan. Jaffar's campaign is aimed at fighting for the rights and sovereignty of the sultans and Malays in the various Malaya states.

The more intellectual and progressive Malays have formed the Malay Popular Front, known to the Malays as the Putera, which is giving opposition to the United Malay National Organization. The Putera is a confederation of Malay left-wing parties and groups, namely the Malay Nationalist Party, the Augatan Pemuda Insaf (Malay Youth Corps), the GERAM (Youth Movement), AWAS (Women's Movement), and the Lembaga Kesatuan Melayu of Johore.

The Putera's policy is different from that of the United Malaya National Organization, in that its ultimate aim is to work for the welfare of all the peoples in Malaya and Singapore. It has the support of other non-Malayan political parties, especially the Pan-Malayan Council of Joint Action which is composed of the Malayan Democratic Union, the Malayan Communist Party and the Federation of Trade Unions.

From July 5 to July 7, delegates from the Pan-Malayan Council of Joint Action and the Putera met and discussed new proposals for the Malayan Constitution in Kuala Lumpur, capital of the Malayan Union. On July 8, the following proposals were airmailed to all Members of Parliament with copies to the Secretary of State for the Colonies, the Governor-General and the Governors of the Malayan Union and Singapore:

Citizenship Automatic

"Citizenship should be a nationality. All persons born in Malaya will automatically obtain citizenship. Citizenship may also be obtained by application on condition that the applicant (a) is 18 years of age or over, (b) has resided in Malaya for eight out of 10 years preceding the application, (c) is of good character and passes a simple oral test in the Malay language, and (d) takes an oath of allegiance. The nationality shall be termed "Melayu," meaning "National of Malaya." The term "Melayu" will have no religious implications whatsoever.

"Under a Bill of Rights, all citizens of Malaya would be guaranteed equal fundamental rights and opportunities in political, economic, educational and cultural sphere, regardless of race, creed, color or sex.

"The proposals envisage a federal structure including Singapore. The Federal Legislative Assembly would be elected by all citizens of Malaya of the age of 18 and above, through direct and secret ballot.

"Seats would be apportioned among the various communities for the duration of the first selected assembly only.

"The High Commissioner would have reserve powers in respect of foreign affairs and defense.

"The Federal Executive Council would be elected by the Federal Legislative Assembly from among its own members.

Council Of Races

"There would also be established a Council of Races, consisting of two members of the following communities: Malays, Chinese, Indians, Eurasians, Ceylonese, Arabs, aborgines, Jews and other Europeans. The Council of Races would have power to delay any legislation for three years if it considered such legislation discriminatory on fundamental, racial or religious grounds. It would also have the power to recommend to the Federal Legislative Assembly any measure which it decided was necessary for the advancement of any section of the people.

"All matters pertaining to the religion and customs of the Malays would be entirely under the control of an institution set up by the Malays themselves.

"It is also proposed that the language used in all councils, including the Federal Legislative Assembly, should be Malay, providing that the councillor might, if he so desired, use any other language."

Apart from political and constitutional problems, Malaya is today facing an acute shortage of rice. Mr. A. W. Wallich, manager of Boustead & Company, made a most powerful speech in the Advisory Council of the Malayan Union on July 14, blaming the International Food Emergency Council for the fact that Malaya is not getting a square deal in the matter of rice allocation. It is an indisputable fact that Malaya in the past 18 months has received an average of only four ounces of rice and 3.4 ounces of flour, a total cereal ration of 7.4 ounces per head per day.

Mr. Wallich said that for months India had received a daily cereal ration of 16 ounces per head and Hongkong 22 ounces per head while Malaya was receiving only eight ounces per head per day (four and one half ounces of rice and three and one half ounces of flour.) When further reductions were made by the International Food Emergency Council in other countries, Malaya was still left in very pitiful condition. During the past two months, the rice, flour and sugar rations in Malaya were again cut down to the minimum.

Struggle For Rice

Sir Edward Gent, Governor of the Malayan Union, in reply to Mr. Wallich's speech, stated: "I shall not flag in our struggle for rice, so long as we are on short commons." Lord Killearn, the Special Commissioner, spoke at the 14th meeting of the South East Asia liaison officers at Singapore on July 16, and said that the rice prospect was "such as to exclude complacency." He revealed that the Food and Agricultural Organization's study group had reached the conclusion that even by 1952, there will be a world rice shortage of about 3,500,000 tons. Lord Killearn further stated that strenuous efforts were being made in South East Asia to improve the yield of existing rice producing areas and turn hitherto barren territories into rice growing areas.

Uncertainty as to the rubber producing industry and its prospects, coupled with the high cost of labor, has caused uneasiness in the minds of the rubber producers in Malaya. The meeting of the International Rubber Study Group in Paris did not improve the situation regarding the recent price of rubber, and many rubber producers in Malaya have, because of the prevailing circumstances, stopped tapping and

turned their attention to maintenance only. When questioned in the House of Commons, the Secretary of State for the Colonies said that the Government was aware of the situation and that "appropriate steps" had already been taken to improve conditions.

Synthetic Rubber

The U.S. today is producing synthetic rubber in place of natural rubber for domestic consumption, and unless there is an Anglo-American agreement to restrict the use of synthetic rubber, the rubber industry in Malaya will have to suspend operations.

"If conditions are allowed to drift unchecked," said Mr. Khoo Tei Kee, in the Advisory Council of the Malayan Union, "we may wake up one day to find rubber unsaleable and only a nominal price quoted for that commodity. It is our duty to stave off that day by adopting suitable measures for our protection. Rubber producers in this country cannot be expected, nor are they prepared, to sit back complacently and see the industry exploited and gradually strangled.

"I hope the negotiations will result in a reasonable modification of the American policy," Mr. Khoo continued, "But if this should not be the case, then the industry will expect the Government, jointly with the governments of other rubber producing countries, to adopt measures to safeguard the industry by a restriction of output. Any artificial control of the production of natural rubber at this juncture is unfortunate because the world apparently needs, and but for the legislative control imposed by the United States, could use all the natural rubber produced."

In London, a strong belief prevails that the U.S. synthetic rubber policy is not subject to Anglo-American discussion at the highest levels. To quote Sir Edward Gent, "We shall not fail to press for all practical measures to be taken by international agreement in the interest of this, and other rubber producing countries, to rehabilitate their economics after the calamitous conditions left by the enemy's occupation."

Law To Be Approved?

In commenting on the situation, the *Financial Times* in London said that "although U.S. action is bound to be slow, since any major change in the synthetic law requires Congressional approval, America now has the will to improve the position of natural rubber, whereas until recently she had only the power."

The mining industry in Malaya has not yet resumed full operations. During the Japanese occupation, most of the mining materials and equipment were destroyed. Owing to the difficulty of getting mining equipment from overseas, coupled with the troublesome problem of labor and lack of capital, less than one-third of the mines operated in 1941 have resumed operations as of the present date. Malaya depends on her two key industries, rubber and tin, for revenue, and if these two commodities are not fully developed her whole economic structure will face disaster.

A report from London to the effect that the total expenditure for three Governors in Malaya amounts to £37,835 annually, drew comment from Mr. D. K. Walters, a former Singapore Municipal Commissioner, who said, "I cannot believe that three Governors can be necessary for Malaya under any circumstances. Before the war one was sufficient. In my opinion, the worst black market we have in Malaya since the reoccupation, is the black market in jobs, and this should be stopped at once. If the Government wants the backing of the people in raising taxes, which apparently is inevitable, the first thing the Government must do is to satisfy the people that no money is being wasted."

Speaking in the same tone, a British correspondent of the *The Straits Times* wrote an article entitled "A Disgusted Britisher on Malaya and its Government," which said, in part, "The everlasting wail put up by the Government about insufficient funds for the necessary social services will not impress any thinking person when the colossal expenditure of three Governors, their many residences, their huge staffs, their cars, planes, and eternal traveling expenses are taken into consideration. Surely some of these expenses could be drastically reduced before life is made impossible for the common man."

Tax Discussed

The question of the introduction of income tax in Malaya was discussed last year, but the matter was dropped in view of strong opposition from the public. Malaya is not yet fully recovered from the disasters of war, and economic conditions throughout the country are far from satisfactory. Due to heavy expenditure on the part of the Government, early this year, the Colonial Office in London sent an income tax advisor, Mr. R. B. Heasman, to study Malayan economics and make recommendations for the introduction of income tax in order to raise revenue for the heavy expenditure of the country.

The president of the United Planting Association, Mr. S. B. Palmer, criticized the introduction of income tax, saying that under local conditions an equitable form of income tax could never be imposed. "Opposition from all communities," he emphasized, "will be as vigorous as ever until every other possibility of raising revenue has been explored thoroughly and shown to be impracticable."

The introduction of State Lotteries as a means of raising funds for the building of tuberculosis hospitals, public education centers and other charitable institutions was strongly urged in many quarters. Mr. N. A. Mallel, in his speech at the Rotary Club on July 9, made a proposal to hold State Lotteries as a last resort to raise funds to combat tuberculosis. Mr. Mallel quoted from authoritative quarters that Singapore required about S$200,000,-000 to fight T.B.

Opposition to Lotteries

But bitter criticism of the proposal to introduce lotteries was forthcoming from many quarters. The Malayan Democratic Union, in a public announcement, stated, "The case against State Lotteries is the case against social irresponsibility. It seems to us that there can be no greater harm to the development of a civic conscience in Malaya than this attempt to meet the social obligation to T.B. sufferers in a haphazard manner and on a voluntary basis."

Mr. Eee Yew Kim asked for the Government's reaction to the proposal in the Advisory Council in Kuala Lumpur, and the Government's written reply was, "By organizing State Lotteries, the Government would itself be promoting facilities for a practice which is contrary to the principles of thrift, so essential in a healthy community, and it would exploit the undesirable weakness of relying on a gambler's hope of wealth divorced from work."

Early in July, the prices of essential commodities such as rice, flour and sugar were increased tremendously, but the salaries of Government and Municipal employees remained the same. Transportation costs have also risen during the last two months. Apart from the recent increases in the cost of essential commodities and transport, there is now a proposal to increase house rentals.

Workers Hard Hit

Although there is a Salaries Commission in Malaya to investigate the economic conditions of the working classes, nothing constructive has been done to relieve the sufferings of these wage earners. Owing to the high cost of living, the majority of workers are really hard hit and simply cannot make ends meet.

In a letter to the acting Colonial Secretary, the Singapore Clerical and Administrative Workers' Union wrote: "The working classes are doing their share towards the rehabilitation of this country, and any unjustifiable increase in the hardships we are called upon to bear will, we submit, not contribute to a happy frame of mind. We would also like to point out that the Government and the Municipality are not unaware of the hardship of the members of their clerical services."

A spokesman of *The People's Party* declared that his party is ready to unite people all over China to boycott Japanese goods after the resumption of Japanese trade, according to a report in *The China Press*. It is rather regrettable that General Douglas MacArthur's Headquarters has decided to open Japanese trade prior to the conclusion of the peace treaty and more regrettable that the Chinese Government has also neglected the interests of the people by accepting that decision, the spokesman added.

Business Foot-Notes

British and American Military Government authorities announced a new incentive program to encourage German exports and at the same time to enable Germany to contribute to European economic recovery, a *Central News Agency* dispatch from Berlin reports. The plan involves allocation of 10 percent foreign exchange proceeds from the sale of manufactured goods to the fund which is divided into (1) exporter account—intended to benefit German exporters, and (2) general account — for the benefit of workers engaged in production of export goods.

* * *

For the first time since the end of the war, production of steel ingots in Japan climbed in June to a rate equivalent to 1,030,000 metric tons annually. SCAP's industrial division attributed the June production mark to increased allocation received by iron and steel producers since January. Imports of fuel oil from the U.S. also contributed to the more favorable production, reports *AP* from Tokyo.

* * *

Chinese inhabitants may own land in the Philippine Islands for non-agricultural purposes from now on, according to Circular No. 128 issued weekly by Roman Ozaeta, Secretary of Justice. Ozaeta opines that aliens may acquire "private residential, commercial, industrial or other classes of urban lands" as these classes are not embraced in the phrase "private agricultural land mentioned in Philippine's Constitution."

* * *

The Hongkong mechanics' strike progressed this week without any untoward incidents, *Central News Agency* reported from that city. The latest development in the strike was the walkout of some 50 employees of the Hongkong Hotel, but there was no indication that the strike would spread further. Ho Man-wai, Deputy Chairman of the Chinese Engineers Institute, was quoted as saying, "There is no political background in the present situation. All the workers want is enough for two square meals daily."

* * *

UP quotes informed sources in The Hague as saying that Governor-General R. Van Mook in a letter to the Dutch Government said the present situation in Java and Sumatra cannot continue and asked renewed authorization to continue and complete police action immediately. It was said the letter caused a cabinet split and a crisis was possible. Van Mook was supported by nearly all civil and military authorities in Batavia who wrote to Queen Wilhelmina similarly, it was said.

* * *

Recently arrrived in Nanking, Governor Wang Mou-kung told *Central News* that 5,000,000 people had been rendered homeless and about 4,941,000 acres of land had been flooded recently in North Kiangsu. The 17 districts flooded constituted one half of the farmlands in northern Kiangsu, the Governor said. Unless the 5,000,000 persons are aided they will constitute a threat to peace and order in that province.

* * *

According to *Central News Agency*, a secret investigation conducted by the Tax Bureau in Kweiyang disclosed that Sze Wan-chang, an enormously wealthy Kweichow financier, has in the past three years evaded the payment of CNC$5,000,000,000 in taxes. Compounded of income, business and inheritance taxes, this unprecedented tax evasion case is now being checked carefully by the tax collecting authorities.

THE CENTRAL BANK OF CHINA

PRESS NOTIFICATION No. 1

The attention of the Public is hereby drawn to the REVISED TEMPORARY REGULATIONS WITH REGARD TO FOREIGN EXCHANGE TRANSACTIONS EFFECTIVE AS OF THIS DATE.

REVISED FOREIGN TRADE REGULATIONS WILL BE ISSUED TOMORROW.

I.—EXPORT IMPORT BOARD

The Board for the Temporary Regulation of Imports and the Board for the Development of the Export Trade have been merged into the EXPORT IMPORT BOARD.

(N.B. PENDING ORGANIZATION OF THE JOINT BOARD THE TWO BOARDS WILL CONTINUE TO FUNCTION SEPARATELY WITH THEIR RESPECTIVE ORGANIZATIONS. THEREFORE, PENDING FURTHER NOTIFICATION, COMMUNICATIONS SHOULD BE ADDRESSED TO THEM AS HERETOFORE).

II.—IMPORTS & OUTWARD REMITTANCES

With effect immediately.

(a) The Appointed Banks will sell foreign exchange at the OFFICIAL RATE for the payment of licensed imports of COTTON, RICE, WHEAT & FLOUR, COAL & COKE, FERTILIZER.

(b) The Appointed Banks will sell foreign exchange at OPEN MARKET RATES for the payment of all other licensed imports and of all approved financial services, *whether licensed or approved before or after the issue of these regulations.*

III.—EXPORT AND REMITTANCES FROM ABROAD

The Appointed Banks will buy foreign exchange arising from Exports or Re-exports from China and from Remittances from abroad (inclusive of cheques and sales of exchange for expenditure in China) at OPEN MARKET RATES.

IV.—FINANCIAL SERVICES

There is no change in the existing regulations.

V.—EXPORT PROCEDURE

Exporters, after obtaining the signature of an Appointed Bank to Certificate CBC 8a (rev.) and prior to applying to the Customs for permission to export, shall submit the certificate to the Executive Secretary of the Export Import Board (subject however to Note in Para. I above) for verification of the value of the shipment together with such evidence as he may require in proof of the bona fides of the declared value. Committees for the valuation of exports will be appointed by the Board at Shanghai and other ports of shipment.

VI.—PURCHASE OF FOREIGN CURRENCY NOTES BY APPOINTED BANKS

There is no change in the existing regulations.

VII.—ISSUE OF IMPORT LICENSES 'NO EXCHANGE REQUIRED'

(in respect of funds held abroad prior to 17th February, 1947 for the purpose of defraying the cost of intended imports).

A committee will be appointed by the Export Import Board for the purpose of making a complete study and inventory of, and making recommendations to the Board in regard to

(a) past and prospective arrivals of goods in respect of which import licenses have not been granted.

(b) funds still said to be held abroad for the purpose of financing shipments.

with a view to enabling the Board to effect a final solution of this matter.

Until further notice no import license will be issued with the endorsement 'No Exchange Required.'

VIII.—TRADING IN FOREIGN CURRENCY SECURITIES

Attention is particularly drawn to Articles 23 and 38 of the Revised Temporary Regulations with regard to Foreign Exchange Transactions.

BROKERS WISHING TO OPERATE IN FOREIGN EXCHANGE SECURITIES SHALL REGISTER WITH THE CENTRAL BANK OF CHINA. Registration forms may be obtained on application to the Banking Department of Central Bank.

CHANG KIA-NGAU, Governor
CENTRAL BANK OF CHINA

Shanghai, August 18, 1947.

Hongkong Dollar Depreciates US$ Trade Rate Set

THE most important feature of the week under review was the depreciation of Hongkong dollars, which caused a general increase of financial quotations in the British colony. This development in the south affected the Shanghai markets. When the markets opened on Monday, quotations of gold and greenbacks in the black market rose considerably. This increase was accelerated on Tuesday when it was rumored that the official price for gold in America would be advanced from US$35 to US$50 per ounce. However, when the rumor was denied by American authorities, financial quotations dropped again.

In the stock and commodity markets, business conditions were dull and quiet. Quotations and prices fluctuated within a narrow margin. Big operators preferred to adopt a "wait and see" attitude as the Wedemeyer Mission was still in China. Rumors of American financial aid were circulated freely but no official statement was forthcoming.

New Greenback Rate

However, one rumor has proved to be true. In the latter part of last week, it was reported that the Chinese Government would not revise the official exchange rate but would introduce a free "commercial rate." Quotations for stocks and shares increased slightly on Saturday because of this news. On Sunday and Monday, newspapers carried reports about the revised measures of control and the adoption of a market rate, which was CNC$39,000 this Monday (August 18). This revision aims to promote China's export trade and to direct overseas remittances to China instead of Hongkong and the black market.

With the exception of export products, these revised measures had little effect in the local markets. Quotations of stocks and shares, which opened firm Monday morning because of the announcement of this revision, dropped by closing time to the same level as that of last Saturday (August 16). Gold and greenback black market quotations which rose by 20 and 10 percent respectively, also leveled down to the Saturday quotations. Prices of commodities in general remained quiet.

However, prices of export goods increased. For instance, the price of Chimun red tea rose from CNC$1,000,000 on August 16, to CNC$1,500,000 on August 18. Prices for bristles advanced from CNC$7,500,000, to CNC$8,500,000 per picul. Tung oil, one of the most important item of exports, appreciated from CNC$670,000 per picul to CNC$1,000,000, on August 18. This increase will make it unprofitable to export these goods to America even at the new market rate of exchange—CNC$39,000.

Price Control Needed

Well-informed financial circles fear that in the future if Government control is not strict and effective, there will be three exchange rates, namely, the official rate, the market rate and the black market rate.

Although it is as yet too early to predict the future trend, it may be said that already this new revision has caused a considerable hike in prices. The oil companies are reported to have received approval to increase the price of gasoline by 100 percent.

In this connection, it may be noted that Premier Chang Chun, president of the Executive Yuan, announced during the week that China welcomes foreign investments and that profits made by foreign firms may be remitted back to their homelands. The actual development of the situation, however, remains to be seen.

	Aug. 9 CNC$	Aug. 16 CNC$
Bonds 'C	13,700	12,800
Wing On Textile	207	234
Mayar Silk ..	380	420
Ewo Cotton ..	81,000	90,000
Rice	395,000	400,000
Wheat flour ..	121,000	124,000
Peanut oil	920,000	935,000
20's Yarn	10,000,000	10,500,000
Raw silk	28,500,000	29,000,000
Rayon	24,900,000	26,300,000
Ruby Queen Cigarettes .	99,200	110,000
Koo Ban Soap	478,000	480,000
My Dear Matches	3,150,000	3,050,000

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NEWS OF THE WEEK

Wedemeyer Mission Due To Leave; Fighting Flares Up On Lunghai

AFTER completing a China-wide survey, General Wedemeyer and members of his mission were ready to leave on a similar fact-finding trip in South Korea. Prior to his departure this week, General Wedemeyer is reported to have had a lengthy interview with Generalissimo Chiang Kai-shek. According to *AP* from Nanking, the envoy was "very frank on what he found during his trips." This was supposed to mean that the general was critical of the evidence of inefficiency and corruption among Chinese military and civil officials and said so to the Generalissimo.

Communist troops which had penetrated into the area of the Lunghai railway last week were attacked by Nationalist troops in the northern tip of Honan Province. The Kaifeng garrison is said to have taken part in the assault. On the whole, information from the Government side of the Civil War was sparse and far between, and it appeared that there were only two centers of fighting: Shantung and North Honan.

The Communists, on the other hand, reported profusely on the Civil War fighting. Of interest was their announcement of last week that a Kwangtung-Kwangsi Column was established in Shantung for the purpose of "smashing Chiang Kai-shek's invading troops in Shantung and for liberation of Kwangtung and Kwangsi."

The Reds revealed that this column included the entire East River Brigade which was evacuated from Kwangtung last year with American aid.

The Communists also claimed that a Central Shansi battle had taken place in July, in which Marshal Yen Hsi-shan's troops suffered heavy losses.

One of the centers of the fighting was shrouded by conflicting reports. The Communists held that General Liu Po-cheng's army was hammering victoriously through Honan, capturing town after town, and heading south. At the same time, the Nationalists maintained that the general was fleeing from the onslaught of the Government forces and had been forced to go south of the Lunghai railway.

On August 16, the Reds claimed to have captured the North Kiangsu town of Yencheng, about 100 miles north of the Yangtze river. They renamed it Yehting, in honor of a former New Fourth Army Commander.

There was no mention of another offensive in the Northeast made by either side in the course of the week.

Students Dismissed From Local Colleges

SINCE the conclusion of the last semester, more than 430 students have been dismissed from eight local colleges and universities, according to the *China Press*. The paper said the mass discharge was unwarranted inasmuch as most of the discharged students had shown better than average proficiency in their studies, and morally and academically had shown themselves above the normal level. Thus, the best students in Chiaotung and Utopia universities were dismissed in the same lot as the others. It is believed that the present action of the school authorities is directly linked with the student agitation of last May and June, and those who were prominent in the demonstrations are now being removed from the various seats of learning.

ELECTIONS

PREPARATIONS for the fall elections are being conducted throughout the country. The latest reports from Peiping say that the Peiping City Government has invited professors and cultural leaders to run for councillorship. The *Sin Wan Pao* reported a speech by Dr. Hu Shih at one of the rallies held in this connection. He said, in part:

"Over 30 years have elapsed since the Kuomintang took the reins of the Government. Now it has returned the political power to the people and enforced constitutional administration. While attending the National Assembly last year, I already realized the sincerity of the Government in this respect."

* * *

STUDENTS

FOLLOWING the release of a number of students and two female reporters of the suppressed liberal papers here, the next of kin of those students who have not yet been released addressed an open letter to Mayor K. C. Wu, asking for their freedom. Five of the students who were arrested with the others in the June 2 disturbances were detained, and the parents and guardians declared that the "contrary measures taken by the authorities have completely effaced the democratic step which they had earlier taken in this connection."

They concluded: "We hope, Mr. Mayor, that you will, from a democratic standpoint, allow these five fellow students to be released on bail soon, the sooner the better."

A report from Peiping by Anthony Ullstein of *UP* told of a young man having been kidnaped in Tientsin to fill a quota of volunteers to fight the Communists. The young man told a Chinese newspaper reporter that he had been kidnaped by the pao chia of a district while passing through the Tientsin area by rail on his way home.

Reports of forced recruitment and desertions continued to appear in the Chinese press. The *Ta Kung Pao* related a "dramatic escape" engineered by recruits from Anhwei who were brought here prior to dispatch to North China. The main cause for their escape obsession was, in this case, the assertion that the officer in charge had methodically pocketed their food allowance. As they broke away from their camp, shots were fired with the result that three deserters were killed and seven seriously wounded. The *Ta Kung Pao* said that after the incident all the recruits, with the exception of the dead and wounded, were sent to the Northeast.

* * *

JAPANESE RESURGENCE

A *Central News* report from Tokyo revealed that General MacArthur has given permission to 21 Zaibatsu coal mining concerns to borrow a total of Y.89,942,000 from the Reconstruction Finance Bank for the purchase of coal cars. The loans for these restricted concerns will enable them to buy 3,559 steel cars and 6,899 wooden cars to supplement their existing park. Among others, the loans will be paid out to the Mitsui Mining Company and the Mitsubishi Mining Company, which were allowed Y.22,200,000 and Y.8,221,000 respectively.

The *Shun Pao*, commenting on reports that these loans would be granted charged the United States with "conniving with Japan in her wrongdoing." The paper declared that this enlivening of Japanese economy is highly detrimental to the interests of the Allied nations.

The paper, speaking of reparations payments, said that the gold and precious stones kept in Japan should not be used as mortgage for an American loan but should be paid out as reparations.

"The Allied nations have not yet concluded a peace treaty with Japan so that the state of peace has not yet been restored. The United States' unilateral decision to extend a loan to Japan at this time is certainly a very unwise one," the *Shun Pao* declared.

According to *Central News Agency's* Tokyo correspondent, many top-ranking Liberal Party members may be involved in the scandal caused by the revelation that Liberal Party Dietman, Koichi Seko has accused high officials of implication in Yen. 50,000,000,000 worth of hoarded goods. Government Party sources alleged that Ichoro Hatoyama, purged President of the Liberal Party, Karoku Tsuji, Liberal Party's "money man," and "a certain Liberal Minister" in Yoshida's cabinet, are central figures in the scandal.

What U.S. Papers Say . . .

A RECENT editorial in *PM* outstanding liberal newspaper in New York, discussed the question of U.S. foreign policy and its ultimate results in China and elsewhere, and another editorial criticized Great Britain's foreign policy in regard to Palestine. American editors paid a lot of attention to India's long awaited independence and congratulated both the British and the Indians. There was some comment on the Chinese Government's handling of the student demonstrations.

* * *

U.S. FOREIGN POLICY

"IS U.S. Breeding Civil War Abroad?" asked *PM* in a recent editorial. "In Greece, where the direction and the standards of American diplomacy are most clearly visible, our policy is degenerating into harsh and cynical collaboration with a corrupt and representative government in the task of crushing Greek liberties.... The Greek government, shot through with Fascist and collaborationist elements is to be our ally, our protege 'as is.' The Greek liberals must either support this anti-democratic regime—or take to the hills with the 'bandits.'"

PM saw a similarity between Greece and China where "there is a fear that the new Wedemeyer 'fact-finding' mission is a mission not to find more facts (the State Department already has too many facts on China for its own comfort) but to find new excuses for throwing the last of our scrupies overboard and putting all our strength behind Chiang Kai-shek."

The editorial concluded by declaring that "we are beginning to draw a line down the middle of every country in our zone of influence, destroying the hopes of those who looked to us for support in middle-of-the-road solutions, undercutting hopes for a moratorium on civil strife and hatred and calling on these peoples to support reaction—or else. And that 'or else,' as Greece and China demonstrate, is an 'or else' that breeds civil war."

* * *

PALESTINE

ANOTHER recent editorial in *PM* disclosed that "the British sought unsuccessfully to persuade President Truman to include a reference to the so-called illegal immigration to Palestine in the statement he issued at their request on June 5 calling on all American citizens to refrain from undermining law and order or promoting violence in Palestine.

"The President, who has been trying for two years to get the British to admit 100,000 Jewish DPs to Palestine, refused to include in his statement any phrase which would reflect on the efforts of these same DPs to reach Palestine by means of their own." *PM* asserted that Britain is pressuring France, Yugoslavia, Poland and Czechoslovakia by making the stoppage of Jewish immigration an unexpected part of the agenda in recent trade and other economic negotiations, indicating that they would barter trade advantages for action against the Jews. "Officials of several governments, in discussing the problem, have expressed surprise at the amount of money, time, effort and attention British officials are spending on this cold war against refugees.

"The illegal immigration has become a matter of 'saving face' for the British Navy, and its stoppage is sought by the British government for basic psychological and political reasons," *PM* concluded.

* * *

INDIA

AS the Governments of the new Dominions of Pakistan and India took office amid ceremonial pageantry, American editors paid tribute to British and Indian statesmanship. The *New York Times* said the event "represents a triumph for Brtiain because it recognized the historic tide and did not attempt to beat it back; for India because it accomplished its ends by compromise and the principle of non-violent resistance which carried the day at less cost than would have been possible otherwise."

Aside from future problems such as religious controversies and the widespread corruption in public offices, the *New York Herald Tribune* said that "the officials of India and Pakistan must deal with abominable health conditions, with illiteracy, with the Hindu caste system—now beginning to break down—and with many other grave matters. . . . They have vast opportunities for accomplishment, but the load they carry is heavy."

* * *

CHINA

COMMENTING on the raided universities and newspaper offices and the scores of arrested students, the *New York Herald Tribune* said that aside from Dr. Hollington K. Tong's declaration that the Nanking government forestalled a "dangerous Communist plot" by its raids, "it is reasonable to assume that the Reds have been doing their utmost to encourage student demonstrations and criticism of the government by the Chinese press. But, even so, it is difficult to accept the idea that the wholesale arrests were justified. Only a few of those caught in the raids could have been Communist sympathizers. In addition, the Government's use of thugs and secret police in its attempt to halt criticism is extremely disturbing. It is distressing to see the present Cabinet, which includes such reputable men as Dr. Tong, ignoring all the fine words said about civil liberties in the past and forgetting the bill of rights in the new constitution.

"If the Chinese government devoted half as much effort to reform as it does to fighting Communists there might be fewer Reds to fight," the *Tribune* concluded.

Who's Who in China

DR. LI SHOU-HOUA, ex-vice president of National University of Peiping and Government official; born at Changli, Hopei, September 23, 1890; studied in University of Toulouse (France) 1915-19,

Dr. Li Shou-houa (Li Shu-hua)

（李書華字潤章）

and in University of Paris, 1919-22, received "Ingenieur Agricole" 1918, Toulouse; "Licencie es- Science Physiques" 1919, Paris; travelled in England, 1919 and in Germany 1920; prepared thesis for Doctor's degree in Professor Jean Perrin's Physical Research Laboratory Sorbonne, Paris, 1920-22; received "Docteur es-Science Physiques" 1922, Paris; returned to China and became professor of Physics in National University of Peiping, 1922-28; concurrently Dean of Physics Department of same university, 1925-26; Acting Rector of Sino-French University, Peiping, 1926-28; Vice-Chancellor of Peiping National University, 1928-29; Acting Chancellor of Peiping National University, 1929; member of Legislative Yuan, National Government, 1931-33; political Vice-Minister of Education, January-June 1931; Minister of Education July-December 1931; President of Chinese Astronomical Society, 1933-34; President of Chinese Physical Society since 1932; Chinese delegate to Conference in London in November, 1945 to consider creation of UNESCO; travelled in Europe and United States to visit laboratories, scientific institutions and universities; returned to China in March, 1946; again went to Europe in November, 1946, as delegate to first UNESCO Conference in Paris, visited various cultural and scientific centers in France, Switzerland, England and Italy; returned to China in February, 1947; Trustee of Board for Administration of Indemnity Funds remitted by British Government since 1931; Chairman of Education Sub-Committee for same Board since 1932; member of Commission des Oeuvres Franco-Chinese, 1934; member of Academia Sinica since 1935; member of Central Executive Committee of Kuomintang since 1945; member of Board of Directors and Council of National Palace Museum of Peiping since 1934; member of Board of Directors of Central Museum since 1934; author: Permeabilite Selective des Membrances Polarisees (Annales de Physique, 1922); Scheme physique de la permeabilite Selective des cellules viantes aux differents ions (in collaboration with P. Firard, W. Mestrezat—Comptes Rendues des Seances de l'Academies des Sciences, t. 175, page 183, July 1922); Atomic Theories (Commercial Press,) 1945; address: Office of Administration, National Academy of Peiping, Huai-jen-tang Hsi-szu-so, Chunghai, Peiping.

What Chinese Papers Say

PRESENT conditions in, and the possible future of, Japan brought forth considerable editorial comment during the past week from several papers, mostly critical and pessimistic. Foreign investments and the prospects of repaying foreign loans were also subjects under discussion. The *Ta Kung Pao* devoted an editorial to various aspects of the current Indonesian situation of interest to China. Towards the week's end, the Government's announcement of a revision of the foreign exchange policy was commented upon at length by all Chinese papers.

* * *

JAPAN

THE *Chung Yang Jih Pao* expressed the fear that the Far Eastern Commission's decision to allow Japan to export textiles because of the short supply of that commodity in Asia, will mean that Japanese textiles "will be dumped in large quantities in the Far Eastern market, thus restoring the monopolization of the Far Eastern market by the Japanese textile industry." The paper declared that the textile industry has been the most prosperous in China since the conclusion of the war and that "we not only do not need to import textiles at present, but, on the contrary, we have surplus supplies to be sold on the South Seas market."

In another editorial, the *Chung Yang Jih Pao*, commemorating the second anniversary of Japan's surrender, deplored the fact that "during these two years, China's national reconstruction work has made no progress, while the defeated Japanese imperialists are already showing signs of recovery." It concluded by warning the people "that they must get rid of the attitude of indifference which they have taken for the past two years and seek a correct understanding of the situation."

"From a long range viewpoint, U.S. policy towards Japan is open to criticism in many respects," said the *Shun Pao*. "However, in helping defeated Japan to recover, the U.S. hopes, on the one hand, to reduce the costs of the occupation, and on the other hand, to have Japan serve her in the Far East in the future." The paper continued by pointing out that this policy emphasizes only the immediate interests of the United States and will lead to unpredictable consequences. The *Shun Pao* then asked, "Have our diplomatic authorities fought hard enough on those resolutions passed by the Commission which are unfavorable to us?" and a number of other questions directed at the Government on the subject of resumption of trade with Japan.

The *Ta Kung Pao*, pessimistically predicted that "there can be no doubt that China will have a big excess of her imports over her exports (during the next year or two). The import excess will be considered neither as part of Japanese reparations for China, nor as part of Japanese investments in China, but will have to be settled in terms of U.S. currency. This will make it necessary for China to spend a large amount of foreign exchange which will make it possible for Japan to purchase the latest types of industrial equipment." The paper saw in the future a vision of "an industrialized Japan and an agricultural China."

* * *

FOREIGN EXCHANGE

THE Chinese press unanimously agreed that the revision of the regulations governing the buying and selling of foreign exchange in connection with imports and exports was an improvement, although their enthusiasm was manifested in varying degrees.

The *Shun Pao* pointed out that the new regulations would cause unavoidable fluctuatoins in commodity prices and earnestly hoped that the appointed banks would deal strictly in the open market when buying and selling foreign exchange, thus avoiding the possibility of creating another black market. "It is to be regretted that the authorities have never decided upon a policy of purchasing export goods on a large scale and upon measures for pushing the sale of same. Although the foreign exchange regulations have been revised, yet all our native products for export will blindly rise in price, thus offsetting the advantages of the new foreign exchange rates. In this way, a very good opportunity for absorbing foreign exchanges and developing exports will be lost," the paper concluded.

The *Ta Kung Pao* also warned that "with the announcement of the revised regulations, it is possible that because of the rise in the prices of export goods, the prices of all other commodities may rise too. In order to stabilize the people's livelihood, the Government must try to check the rapid rise in daily necessities by selling large quantities of supplies in the market." The paper said: "Technically, the revision of the foreign exchange and foreign trade regulations is an improvement. However, the stabilization of the currency value, the balancing of imports and exports, and all the technical problems connected with the examination of applications for the purchase of foreign exchange constitute quite another thing. This policy merely indicates that from now on the foreign exchange policy will no longer be inflexible," the *Ta Kung Pao* concluded.

"Finally, it should be understood that the adoption of open market foreign exchange rates in connection with exports and imports means a revision of the foreign exchange rate by the Government which is designed to make the rates approximate the more natural level....If the rates can be maintained in the right way, it is possible that they can be stabilized for a certain period of time and can even be lowered. Merchants must not raise prices because of this and engage in large scale speculation, so as to involve themselves in trouble and increase the instability of the people's livelihood."

After careful study of the revised regulations and the functions of the various new agencies, the *Sin Wan Pao* was of the opinion that "this new foreign exchange policy represents the most thoroughgoing reform that has been effected during the past ten years." This paper also wondered whether stabilization of the economic situation can be attained, but believed that if thoroughly carried out, the new policy will bring some measure of stability. "At this time when the whole nation finds itself in a dull atmosphere, these new regulations will give all the people of the country a new hope," the *Sin Wan Pao* declared, and concluded by adding, "these new regulations represent the last card in the hands of the Government for solving the economic problem, and all those in charge of the enforcement of the regulations should be strongly determined to complete the task before them." The *Sin Wan Pao* concluded.

* * *

EDUCATION

"TODAY, in discussing education, one almost has no time to think of the educational system, the teaching staff and the equipment. Every day, one is occupied with the task of solving the difficult problem of the students' and the teachers' livelihood," a Peiping correspondent of the *Shun Pao* wrote last week. "As a matter of fact, this is true, not only of Peiping, but of all the rest of the country as well," the paper continued in an editorial. "The academic research institutes in China are poverty stricken. The research personnel are on the verge of starvation. If this situation continues, when shall we be able to overtake academic research in Great Britain, the United States, France and Soviet Russia? Thinking of the future of learning in China, one cannot help being greatly worried," the paper concluded.

* * *

FOREIGN INVESTMENTS

COMMENTING on foreign investments in China, the *Chin Yung Jih Pao* opined that "the policy of welcoming foreign investments in China is one of the most desirable policies. Now, Executive Yuan President Chang Chun has issued a fresh statement on this matter, based on the Principles of Economic Reconstruction, the Company Law and the Mining Law." The paper urged foreign investors, particularly Americans, not to worry about the future of their investments in China. The *Chin Yung Jih Pao* then pointed out that the Government is determined to resume repayment of loans contracted by China before the war, and it hoped "that this determination will be implemented at an early date, no matter how the situation in the country is going to develop."

NEW BOOKS OF INTEREST

Honest, Convincing

RICHER BY ASIA *by Edmond Taylor. Published by Houghton Mifflin Company, Boston,* 1947. 432 *pp.*, US$3.75. *Reviewed by Margaret Hampson.*

EDMOND Taylor's The Strategy of Terror, written before our entry into the war, became a definitive handbook for psychological warfare. In 1943, its brilliant young author accompanied General Albert C. Wedemeyer to New Delhi in the American contingent of the South East Asia Command. For the next two years, Taylor served under Admiral Mountbatten as head of OSS in South East Asia.

Richer by Asia records the impact of Asia on Taylor's life and thought. He believes that we can be the "richer by Asia" in equipment for living in these times. He sets down "a philosophy of our participation in mankind.....a formula for living in a world that has not yet made up its mind whether to be one world or none."

In the light of his Indian experiences, Mr. Taylor inquires into what makes us tick—and how we may go on ticking—with a lot of exquisite introspection. Here, self-analysis is patently a labor of love, and Narcissus finds it pretty hard to tear himself away from the pool. Too, a sentence that starts "I feel very really and deeply" is apt to be a sentence one never finishes reading.

But these are natural faults in such a personal account. Mr. Taylor is honest, thoughtful, and at times, profound.

The "sahib sickness" is defined as the old instinctive fear—and hate—of what is strange. According to Taylor, the colonial often judges all India, from Brahmin to outcaste, by the actions and reactions of his bearer. This impossible yardstick failing him, the sahib bogs down finally in a pathological refusal to try to understand or appreciate the East.

In terms of Indian religion and philosophy, the author feels that we might have been the richer by Asia, at the time of the American atomic warfare tests at Bikini atoll, "if India had been in a position to speak with authority....we would have learned that without quite committing a social crime, we were following the pattern of crime, and were guilty of national blasphemy, not of a grave offense against Russia or even against peace, but against the dignity of man and the harmony of nature."

"The Russians could not talk to us in this way, for they share our science idolatry and the lacunae in our sense of human dignity. The Indians could have so talked,.....and we were so near to admitting to ourselves what the Indians would have pointed out, that.....their words might have been dramatically effective. An ounce of political expediency added to the heavy burden of conscience, might have tipped the scales of opinion ....If we had been able to tell ourselves, perhaps we are causing 400,000,000 Indians to lean to the side of Russia, then it would have been different, then conscience would have been freed."

Taylor draws some incisive character sketches, notably of Stilwell and Mountbatten. Deliberately paced accounts of adventures in the Indian countryside, or after dark Calcutta, or the bravura of a New Delhi dinner table, make good proving ground for his conclusions. He writes lucidly and with some humor. There is a neat chapter paralleling some of our own neuroses and frustrations with the problems of a temple monkey in Ceylon.

Taylor restates the ancient truth that the cure for the world's ills does not lie in pacts and armaments but in the minds and hearts of men. But, since Hiroshima, the question of a choice between war and war's moral substitute is no longer academic. "The moment is unique, the issue without parallel, the experience without precedent."

"If we really want to realize one world in our generation, the only way to be sure it will be realized at all," concludes Mr. Taylor, "we must resign ourselves to including in it what we consider the political backwardness of Russia and the technological beckwardness of Asia..... If we want wide success, we must appeal to the mass, and the mass includes Asia, which cannot be appealed to unless we abandon cultural imperialism."

An open minded honesty distinguishes this book and makes it convincing.

Religion

THE SPIRIT OF CHINESE CULTURE, *by Francis C. M. Wei. Published by Charles Scribner's Sons, New York,* 1947. 180 *pp. and index*, 6 *pp.*, US$2.75. *Reviewed by Donald Roberts.*

THIS book is the substance of six lectures delivered in the United States, addressed to Christians by a fellow Christian. Dr. Francis C. M. Wei is well known as President of Hua Chung University, and is recognized as a profound scholar equally at home in the fields of philosophy and religion, eastern and western. He took the trek personally too, during the war, with his students and colleagues into southwest China, and he is one who by gifts of mind and heart knows his fellow-Chinese. K. S. Latourette in a brief preface writes, "We have here a subject of central importance treated by a master."

The book is a study of basic Chinese mental traits, convictions, characteristics, treated principally as they have been molded by Confucian ethics, and by Buddhist and Taoist philosophy and religion. The heart of the interpretation may be said to be in two splendid chapters on Confucianism and one on Buddhism; for Taoism as a religion, and perhaps as a philosophy too, is regarded by the author as a diminishing influence in Chinese culture.

Chu Hsi's 12th century interpretation of Confucianism is shown to be representative of the fundamental Chinese preference for empirical, to intuitive, knowledge. But, says Dr. Wei, "People who speak of the Chinese as being not religious have a strange conception of what religion is." He cites the persisting customs attending birth, marriage, death, local temple worship, pilgrimages, theatricals, festivals. It is for these evidences of religion that Dr. Wei would find a Christian equivalent in the family and social life of China, bringing in "the new idea of man's personal relationship with God."

It is reported that on expiry of the present contract, a factory in Scotland will begin work on an order from China for aluminum prefabricated houses, LPS said. Mass production of aluminum houses has been proceeding in five former aircraft factories in England and Scotland since the end of the war, and a Government order for over 54,000 aluminum "prefabs" will be completed shortly.

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TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A D WUSIH	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.08	16.21		20.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A D CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A D TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A D CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	78,000.	46,000.	78,000.
WUSIH	129	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	86,000.
CHANGCHOW	168	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
TANYANG	213	64,000.	80,000.	32,000.	40,000.	16,000.	20,000.	96,000.	56,000.	
CHINKIANG WEST	243	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.43	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A D CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.	78,000.	46,000.	
KASHING	99	32,000.	40,000.	16,000.	20,000.	8,000.	10,000.	78,000.	46,000.	78,000.
YEHZAH	126	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	
CHANGANTSENG	151	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
HANGCHOW	190	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	86,000.

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